United States Court of Appeals

for the Second Circuit

APPENDIX

74-1290

United States Court of Appeals

FOR THE SECOND CIRCUIT

UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA, AFL-CIO, an unincorporated association, and UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA, AFL-CIO, LOCAL 102, an unincorporated association,

Plaintiffs-Appellants,

VS.

LEE NATIONAL CORPORATION,

Defendant-Appellee.

DEC 12 1974

APPENDIX

(Volume VI—pages 1795A to 2009A)

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AMENDMENT TO AGREEMENT FOR PENSION, SERVICE AWARD AND INSURANCE BENEFITS

This Agreement, made and entered into this _____ day of _____ 1962, by and between Lee Rubber & Tire Corporation, Conshohocken Plant, Conshohocken, Pennsylvania, hereinafter referred to as the "Company", and Local Union No. 227, United Rubber, Cork, Linoleum and Plastic Workers of America, hereinafter referred to as the "Union".

AMENDMENT

The non-contributory Pension Plan of Lee Rubber & Tire Corporation effective as of April 6, 1950, as amended effective July 1, 1961, shall be further amended effective July 1, 1961, as follows:

ARTICLE I
SECTION II
RETIREMENT

1. No change
2. No change
3. No change
4. An employee whose employment with the Company is terminated on or after the effective date, but not during or as a result of a strike started for any reason other than the violation by the Company of the provisions of its Working Agreement with the Union, shall be eligible, upon a timely written application therefor, for a deferred pension as provided in Paragraph 4 of Section III of this Plan, if such employee, at the time of such termination of employment

   (a) shall have attained the age of 40 years but shall not have attained the age of 65 years,
   (b) shall have had at least 10 years of continuous service prior to such termination, and
   (c) shall not be eligible for any other pension under this Plan except another deferred vested pension based upon a prior period of continuous service; provided, however, that in no event shall an Employee be eligible for a deferred pension if he elects to receive in lieu thereof, a Service Award or a Special Distribution on discontinuance of operations.
5. No change

ARTICLE I
SECTION VIII
GENERAL PROVISIONS

1. No change
2. No change
3. Subject to the provisions contained in Article V of this Agreement, the Company reserves the right to modify, amend or terminate this Plan, in whole or in part, at any time and for any reason. On and after the date of notice of desire to open this Agreement for amendment or renegotiation as provided for in Paragraphs 4, 6 and 7 of Article V of this Agreement, no pension rights or obligations

shall accrue under this Plan to any Employee who has not retired hereunder prior to date of such notice, except those employees who reach normal retirement age during period specified in sub-paragraph First of Paragraph 6, Section VIII, Article I; provided, however, that no pension already granted to a pensioner who has retired prior to the date of such notice, shall be reduced, suspended or discontinued, except as otherwise specifically provided herein.

4. No change

5. No change

6. On termination of the Plan, the funds of the Plan shall be used for the exclusive benefit of the employees and pensioners under the Plan as of the date of such termination, except that any funds not required to satisfy all liabilities of the Plan for benefits because of erroneous actuarial calculation shall be returned to the Company. The Pension Board shall determine on the basis of actuarial valuation the share of the funds of the Plan allocable to each employee and pensioner in the following order:

First — Each pensioner who has retired and has been already granted a pension prior to the date of notice for the opening of this Agreement for amendment or renegotiations or who has reached normal retirement age between the date of such notice and the date of actual termination shall be allocated a share equal to the reserve computed to be required for his benefit credits, and

Second — Each pensioner and employee who is eligible to retire under Section II Paragraph 1, 2 or 3 and is not included in paragraph First above shall be allocated a share equal to the reserve computed to be required for his benefit credits, and

Third — Each employee not included in First and Second above who is eligible for a vested benefit under Section II Paragraph 4, shall be allocated a share equal to the reserve computed to be required for his benefit credits, and

Fourth — Each other employee shall be allocated a share equal to the reserve computed to be required for his benefit credits; provided that

If the funds then available in the Pension Trust Fund are insufficient to provide for the shares under sub-paragraphs Second, Third or Fourth above after provision for all shares under previous sub-paragraphs, each share under such sub-paragraph Second, Third or Fourth in that order of priority, shall be allocated out of the remaining funds available and shall be reduced pro rata to the extent of the remaining funds available in the Pension Trust Fund, and there shall be no liability or obligation on the part of the Company or its officers, employees, agents, directors or stockholders for any deficiencies, except the Company will remain liable for all pension benefits of those retired employees referred to in sub-paragraph First of this Paragraph 6.

ARTICLE II
SECTION VI
SPECIAL DISTRIBUTIONS ON DISCONTINUANCE OF OPERATIONS

1. In the event that all operations of the Employer at the plant covered by this Agreement of which this Exhibit is a part shall be completely and permanently discontinued, but not as a result of a strike started for any reason other than the violation by the Company of the provisions of its Working Agreement with the Union, a Special Distribution shall be payable to each employee

   (a) whose employment is terminated as a result of such discontinuance of operations,
   (b) who at the time of such termination of employment had completed 5 or more years of continuous service,
   (c) who is not eligible for a pension under any pension plan (other than a deferred vested pension under the Pension Plan with respect to a prior period of continuous service) of the Employer, and
   (d) who is not eligible for a Service Award under the provisions of Section II above;

   provided, however, that an Employee ineligible for a Special Distribution by reason of his eligibility for a deferred vested pension under the Pension Plan with respect to any part or all of the same period of continuous service upon which the Special Distribution otherwise payable to him would be based, may become eligible to receive such Special Distribution by making an election in writing to receive the same in lieu of the deferred vested pension under the Pension Plan based upon such period of continuous service. Such written election must be made by the Employee within 30 days from the date of the termination of his employment hereunder; otherwise, he shall be deemed forever to have waived his right to a Special Distribution in lieu of such deferred vested pension.

2. The amount of the Special Distribution will be equal to the amount of the Service Award, as computed under Section III above, which the Employee would have been entitled to receive, at the time his employment was terminated by reason of the discontinuance of operations, as above mentioned in Paragraph 1 of this Section VI, if he had then been retired by his Employer because he was no longer able to meet the requirements of his job and was unable to qualify for transfer to another job.

ARTICLE V
DURATION AND TERMINATION

1. No change
2. No change
3. No change

4. This Agreement constitutes a settlement for the duration of this Agreement of all issues with respect to the subject matters covered hereby, and while this Agreement continues in effect, the Company shall have no obligation to negotiate or bargain with the Union with respect to any subject matter covered hereby, nor shall there be any strike or work stoppage with respect to such matters. Any notice of termination of the Working Agreement in accordance with the provisions thereof shall give the right to either the Union or the Company

to open for renegotiation or amendment all the subject matters covered by this Agreement irrespective of the provisions of Paragraph 6 and 7 of this Article V. Should in such case either the Union or the Company desire to open this Agreement for renegotiation, either party will give to the other party a 60-day written notice of such desire and negotiations shall begin within 30 days after the giving of such notice. If negotiations are not satisfactorily concluded prior to the end of such 60-day period, this Agreement shall continue in full force and effect thereafter, subject to the right of either the Union or the Company to terminate this Agreement, if it desires to do so, by giving sixty days' written notice to the other.

5. No change
6. No change
7. No change
8. No change

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Amended Agreement on the day and year first above written.

LOCAL UNION #227
UNITED RUBBER, CORK, LINOLEUM &
PLASTIC WORKERS OF AMERICA, AFL-CIO

LEE RUBBER & TIRE CORPORATION
(CONSHOHOCKEN PLANT)
CONSHOHOCKEN, PENNSYLVANIA

International Representative

July 3 - 1799A

PTO #89A

(53) D

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AMENDMENT TO
AGREEMENT FOR PENSION, SERVICE AWARD
AND INSURANCE BENEFITS

This Agreement, made and entered into this _____ day of _____, 1962, by and between Lee Rubber & Tire Corporation, Conshohocken Plant, Conshohocken, Pennsylvania, hereinafter referred to as the "Company", and Local Union No. 227, United Rubber, Cork, Linoleum and Plastic Workers of America, hereinafter referred to as the"Union".

AMENDMENT

The non-contributory Pension Plan of Lee Rubber &Tire Corporation effective as of April 6, 1950, as amended effective July 1, 1961, shall be further amended effective July 1, 1961, as follows:

ARTICLE I
SECTION VIII
GENERAL PROVISIONS

1. No change
2. No change

3. Subject to the provisions contained in Article V of this Agreement, the Company reserves the right to modify, amend, or terminate this Plan, in whole or in part, at any time and for any reason.

4. No change
5. No change

6. The benefits of the Plan will be only such as can be provided by the assets of the Pension Fund and there can be no liability or obligation on the part of the Company to make any further contributions to the Trustee in the event of the termination of the Plan, and no liability for the payment of benefits under the Plan will be imposed on the company, officers, employees, agents and directors or stockholders of the company, except that no pension granted prior to the date of notice of desire to amend or renegotiate this Agreement to those pensioners dealt with in Article I, Section VIII, Paragraph 7, sub-paragraph First thereof shall be reduced, suspended or discontinued, except as otherwise specifically provided herein.

7. On termination of the Plan, the funds of the Plan shall be used for the exclusive benefit of the employees and pensioners under the Plan as of the date of such termination, except that any funds not required to satisfy all liabilities of the Plan for benefits because of erroneous actuarial calculation shall be returned to the company. The Pension Board shall determine on the basis of actuarial valuation the share of the funds of the Plan allocable to each employee and pensioner in the following order:

(Cont'd)

First - Each pensioner who has been granted a pension prior to the date of notice of desire to amend or renegotiate shall be entitled to be allocated a share equal to the reserve computed to be required for his benefit credits, and

Second - Each pensioner and employee not included in First above who is eligible to retire under Section II, Paragraph 1, 2 or 3, shall be entitled to be allocated a share equal to the reserve computed to be required for his benefit credits, and

Third - Each employee not included in First or Second above who is eligible for a vested benefit under Section II, paragraph 4, shall be entitled to be allocated a share equal to the reserve computed to be required for his benefit credits, and

Fourth - Each other employee shall be entitled to be allocated a share equal to the reserve computed to be required for his benefit credits, provided that

If the funds are insufficient to provide in full for the shares under sub-paragraphs Second, Third or Fourth after provisions for all shares under previous sub-paragraphs, each share under such sub-paragraph Second, Third or Fourth shall be reduced pro rata. In determining whether any pensioner or employee is included in sub-paragraph First, Second, Third, or Fourth above, no account shall be taken of any election by such pensioner or employee made after the date of notice of desire to amend or renegotiate.

ARTICLE V
DURATION AND TERMINATION

No change
No change
No change

This Agreement constitutes a settlement for the duration of this Agreement of all issues with respect to the subject matters covered hereby, and while this Agreement continues in effect, the Company shall have no obligation to negotiate or bargain with the Union with respect to any subject matter covered hereby, nor shall there be any strike or work stoppage with respect to such matters. Any notice of termination of the Working Agreement in accordance with the provisions thereof shall give the right to either the Union or the Company to open for renegotiation or amendment all the subject matters covered by this Agreement irrespective of the provisions of Paragraph 6 and 7 of this Article V. Should in such case either the Union or the Company desire to open this Agreement for renegotiation, either party will give to the other party a 60-day written notice of such desire and negotiations shall begin within 30 days after the giving of such notice. If negotiations are not satisfactorily concluded prior to the end of such 60-day period, this Agreement shall continue in full force and effect thereafter, subject to the right of either the Union or the Company to terminate this Agreement, if it desires to do so, by giving sixty days' written notice to the other.

. No change
. No change
. No change
. No change

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, ave executed this Amended Agreement on the day and year first above written.

OCAL UNION #227
NITED RUBBER, CORK, LINOLEUM &
LASTIC WORKERS OF AMERICA, AFL-CIO

LEE RUBBER & TIRE CORPORATION
(CONSHOHOCKEN PLANT)
CONSHOHOCKEN, PENNSYLVANIA

International Representative

Meeting with Local Union No. 227
and Lee Tire and Rubber Company

April 16, 1963 1802A

(TM45)
90A

Representing the International Union:
George Burdon
Peter Bommarito
G. L. Patterson
George Vasko
Magne Repaal
William Abbott
Roy Ockert
John D. Samels
Kenneth Oldham

Representing the Local Union:
Charles Hess, Jr., President
James P. Ronnan, Vice President
Walter Tarbutton, Secretary

Representing the Company:
M. M. Clairmont, Chairman
Joe Conway

Representing Strong-Narovec and Company:
Neil Barbu

President Burdon explained that the reason for calling the meeting was the concern of the International Union not only for our members in Local Union No. 227 but for the economy and welfare of the entire community of Conshohocken where the Lee Tire and Rubber Company is located. He expressed the belief that it was the responsibility of the company to do something to alleviate the situation but that cutting pensions in half was not a fair approach. He pointed out that the people now on retirement had been forced to retire at age 65 because of a compulsory retirement program and that definite commitments had been made to them. He stated that our Research Director and other members of the staff were present to discuss a production sharing program and other ideas which he hoped might prove to be a solution to some of the company's problems.

Roy Ockert stated that he had made a preliminary study in the Lee Tire plant but that sufficient information had not been made available to him to enable him to make a thorough analysis of the problem.

Mr. Clairmont: We are not here to bargain or negotiate. Our main purpose is to give information--that is all--information that can be checked by you. You are welcome at any time to send anyone to come in and find out how it checks. I certainly welcome Mr. Burdon's suggestion--how can this company get over the hump and what has to be done. We are all interested in the same goal--to get this company to a point where it can again be a member of the industry.

Let me make a few things clear to you gentlemen. I have to take the rap for all the mistakes of the people who preceded me. I am not running a popularity contest. Let me make my position clear. I own only about 9 per cent of the Lee stock. You know that, because it is

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in all the reports. There are other people who support me. I am the man in the middle and the big stockholders want certain things and the employees want certain things and the customers want other things. We are more or less forced into things by circumstances. It is what we are forced by the cold facts and I am the one who has to sort of walk on the tight rope among all the demands. I think that in order for you people to judge the situation you have to know just what has transpired, because only then would you be able to decide for yourselves and that is why I think that after we are through with our meeting today, before we even talk about what we are going to agree to, I think it is very essential that you people should check facts to see what other people are selling goods for--how we function and what are the chances for Lee to exist if we have to continue to exist as we are today.

Ockert: This is what we wanted a chance to look at but I was not given an opportunity.....

Clairmont: Let's look first at the general picture. The main trouble with Lee is lack of sales--lack of outlets. Here is a company that is geared to make six or seven thousand tires a day and theformer management has just sat complacently without trying to develop a network of outlets to sell those tires. This company is not to be compared with any other company in the tire business or any other (mentioned Seiberling situation). I did not know that about Lee when I came into the picture. They depended on two main outlets--Philips Petroleum used to take the major part of our production each year. We had a very comfortable arrangement, based on good personal relations between managements of the two companies. That was about five or six years ago when times were not so competitive and that was the main source of income.

The other outlet was so-called branches--about 45 of them. The company had practically no other customers.

About five or six years ago Philips called Lee management and told them they were going into their own private brand and would be buying from other companies. They did give them a contract for five years--for a smaller number of tires--and during this period Lee could have gone out and developed other outlets to replace Philips. Now the five years have expired and they are out. But the Lee management didn't do anything to go out and develop new customers. They didn't do one thing--they just expected some miracle--they just opened new branches. That part of the business was gone and was not replaced. They did not have good sales organization.

Let's talk about branches, which is now the main outlet. More than two-thirds went to branches last year. They are not branches like Goodyear or Mohawk which are like a warehouse or depot. Our branches were small distributors--in small towns. These branches were small local distributors, like an independent distributor but owned by the company. Two things have happened: first, the branches didn't have good personnel competent to do the job. They took people without experience and put them in to run branches without giving them any guidance. It was a poorly organized branch system. What has happened?

Everybody is getting into the business of retailing tires so you have instead of small distributor to resell to dealer a distributor selling directly to the consumer. The small independent distributor has very small chance of survival--like the small grocer--and becomes smaller. How does the small distributor exist? The overhead is great; they don't make money out of tires--they make most of their money selling retail; but our branches are not good retail locations. Our branches have to resell to other distributors who carry a lot of other items which have much better markups than tires. They make most of their money from servicing rather than from selling products. To sell tires they have an overhead of about 21 per cent.

The sum and substance of all this is that we are left without outlets. We have to start practically from scratch. We have to develop more outlets to sell the tires we are equipped to produce. It can be done within a reasonable time if you have the money. What I cannot do and nobody can do is build up a market for thirty million dollars of sales under the present market conditions. This is a long, long haul proposition. First you need a selling organization. We have to rebuild the image of the company--convince people we are here to stay. There are a lot of things to be done and a lot of money to be put in, and after you have done all this you have to sell your way in. This is the job that will have to be done. I don't say it cannot be done--everything can be done at a price. The price is almost staggering. We are losing three hundred thousand dollars a month in the tire division. Our sales for the first three months of this year are about half of what they were a year ago. We are losing heavily through our branches; our branches are falling apart every day.

It comes to a point where everybody connected with Lee will have to pitch in to be able to produce cheaper now and sell cheaper now to rebuild sales. Once you have that, even if you go at a loss, if we can rebuild the company....

We have not been able to hire a man yet on sales. We have hired some good people to replace incompetent people in other fields, but we have not been able to hire one man for sales. I have interviewed every good man I heard about.

The job can be done but it will take a great sacrifice from the stockholders--it will take sacrifice on the part of the union--a temporary sacrifice over a period of a few years. We have to create a situation from chaos--from nothing. If the union and stockholders want to pitch in we may have a package to show to somebody. If not, the company will peter out by itself--die a natural death.

It doesn't matter what kind of a contract we negotiate with the union--we could negotiate the best contract possible--but the faster we will liquidate.

Possibly make a list of eight or ten good connections to make a steady outlet for tires--would solve problem for Lee to create continuous employment at full production but also, maybe even better, would have practically no cost of sales organization (gsa).

With this in mind I approached two organizations and I suggested--why don't we make a separate division of Lee Tire--become a partnership--make another company--you buy into it and you will be assured of making money on an investment in Lee and getting tires at the same price you are paying now....One way a small company can exist--can recover so as to catch up with bigger companies. One of the good things about Lee is its location...

Had discussions with two sources....

One obstacle in forming a new company--what happens to the old obligations, such as pensions, etc? Past service liability would be over $200,000 a year. Figured maybe if liability could be cut down to half, maybe I can make the stockholders go for it. I am not asking anything now--if the deal would be made subject to that--did not want any commitment from union.

What would be involved? What would it amount to? Let's say that a man is 55. He will still have ten years to work. For this ten years he will accumulate...he may have 20 years with the company. What is the alternative if the company is liquidated? He will get nothing. Sothis man, let's say that his pension will be $80 a month. So he will get $40 for past service and still accumulate for the next ten years. If he loses his job now at age 55, what opportunity will he have? Let every man judge for himself how would he be better off?

I am not trying to sell anything. I am just trying to present facts for your judgment. Let me tell you one other thing. I have never been faced with such a situation in my life. I have never left a job unfinished. I am not a quitter by nature and I want to extend myself as much as possible to make a go of this company.

If Lee liquidates, somebody may pick it up. Should continue good labor relations. Nobody would be interested in picking it up if there is a bad labor situation.

Trying to keep organization alive so we can make a go of it or someone will be interested in it.

Burdon: A lot of that is attributable to the fact that you can't have trouble within your own house and expect these people not to leave it there. As far as the entire presentation here is concerned, we went over this before. Constantly you hap on the fact that the distributing factor is the problem. Then, secondly comes the union. Why should the union take all the brunt of this and make all the sacrifices and pay the price for what has been done in the past. I would be the last one to advocate or agree to tampering with the pension fund. We can't do the whole job. I think it is uncalled for to suggest that these people do the sacrificing. These people are not responsible for what has happened in this company. Each time you come you don't offer a constructive program. All you talk about is cutting--at the employee's price. The whole thing as it is reported is a calloused fight within the company itself. If it is as you represented it and the act that Lee is putting on--Lee would probably be better off if they did liquidate, if those people have to work for a pittance.

I can understand where a company can come to a Local Union or the International Union and talk about putting the plant into a competitive position. I think we can talk about something like that, but this situation here is not the responsibility of the employee. We are willing to listen to a constructive approach--we are here to talk about this. If you are really concerned about this there are enough people who would try to work this out with you--community leaders, etc. All you want to do is penalize the union. You can't go back over the years and accuse this Local Union of bad labor relations--the Local Union is willing to work with you without giving their life's blood away. There are ways and means but you have to put something into it.

Are you willing to listen to this production sharing program?

Clairmont: Yes, Our problem is not production. I did not say that the union is responsible. I am just asking for this--to make possible something that would not be possible otherwise. Those who are to blame are no longer with the company. I only wanted to know from you whether I can follow this course. we know what to do in the plant. We have no sales organization--we haven't been able to pick up anyone to work in sales.

Bommarito: What have you done in seven months?

Clairmont: We have to build a selling organization from the beginning--all we have are branches which are falling apart.

Burdon: Your responsibility is to get out and get business.

(called on Mr. Barbu for comment)

Barbu: While all of you probably have heard this before, I am grateful for hearing it because it is a background. As I see it here the problem with the company is volume which cannot support the company as it now exists. The problem is building up volume at competitive cost. The competitive costs are immaterial if the volume is not built up. The solution is not necessarily one of cutting pensions because that in itself will only reduce cost. It will not necessarily build volume. Cutting of pensions is one way of attracting a customer or customers which are necessary to build the volume. If you can attract a large customer by any means, a captive customer, then you can build volume which will build the income and the work force. I understand that this is only an avenue of exploration, that the companies he has approached to interest in getting into this company with large volume have backed away because of the liability that exists in regard to the pensions. They balk at coming into the company as long as this liability exists. At the same time, to do away with this liability you have to ask both present and past workers in the company to make a substantial personal sacrifice in a commitment which apparently is part of a contract which existed for a long time. This is extremely hard. This is extremely difficult, but even after doing that there is no guarantee that the company can attract a customer.

Clairmont: This is bubject to that--when they know that everything else is there except the elimination of the liability...

Barbu: I heard nothing of the possibility of this being only a temporary sacrifice--whether that is a possibility or not, I don't know. In other words, I gather that what you are trying to do here is cut any obligations for past seniority in half but carry any future obligations in full. I don't know and I can't in the short time I have been listening here come up with any ideas except that one possible avenue is temporary reduction to one-half with a commitment to rebuild to the full pension obligations when and if and as this business picks up to full capacity. Because surely at full capacity there should be the obligation to again restore the existing commitments as they now are.

Burdon: What attraction would that be if the company knew the obligation still exists? What are you going to do about the other companies who lose money--are you going to give them the same relief?

Barbu: You will have to explore the legal obligations that exist to see if this can be done. The alternative seems to be a continual down hill trend for this company to the point of possible non-existence eventually. So this has to be weighed against any decisions or actions taken here. Insofar as the Rucker plan is concerned, the Rucker plan can only determine the amount of money that was paid to the employee group in all forms, including pensions, and determine what part of the total income that constituted in terms of the Rucker plan...determines what percentage of that went to the employees in forms of compensation over a base period and establishes the exact equitable share for the employees to receive out of future income dollars. The usd of those future income dollars goes into paying compensation, and over and above that, paying any fringe benefits, including pension costs as they have existed, and then over and above that, if any is left, to paying direct incentives to the employee group. Rucker plan earnings have been used for many purposes. Mostly they are paid directly and immediately during the year as extra earnings. Sometimes a portion of those is set aside to pay pensions. Sometimes a portion is set aside to set up various other supplemental benefits for employees. The money, once it has been earned, can be used for many purposes, but what the Rucker formula will do is establish the balance point between the moneys the employee receives and the moneys that the company receives with which to carry on its costs and expenses and stockholders dividends and profits. The mechanics of the plan is that it establishes the fair and equitable..... In itself it cannot make a determination of what should be done with the pension plan at this point or even in the future. It cannot make a determination of what shall be done with base wages or fringe benefits. It merely allocates the funds that are generated between the employee group and the management and owners of of the company.

Burdon: We are more or less lead to believe that certain efficiencies could be effected to alleviate a situation which exists within the plant. It appears to us that this is not the problem. It appears to me now that the problem is something over which we have no control. We don't even know whether this proposal would be legal or not. This is a matter of contract between the parties and we have no right to abrogate it now.

ldham: I want to correct Mr. Clairmont on the funding of the pension lan. Evidently he didn't check this fact because Dunlop only began nding in 1960; Mohawk didn't have a pension plan until 1959, so ey just began funding at that time. U. S. Rubber began funding in 960. None of the plans have been funded for any great number of ears, and the liability against all of these other companies, includ- g Seiberling, is pretty near as much as it would be against Lee ecause only a couple of payments have been made. When we agreed to he funding in Lee we recognized that there would be a large outlay of oney on the past service liability and we agreed to minimum funding hich as we all know is not good because you can only pay the interest n the past service liability and many of these others are having to und on a more rapid basis than that with a greater cost per year of ervice than you have. You have the most lenient method of funding vailable at the present time. We recognized that there was a problem ack in 1959 when we tried to get some consideration on this. You are nly committed to the interest on the past service now.

lairmont: With respect to the suggestion that an agreement be made o pick up the reduction after volume picks up, this could not be done ecause there will be a new organization taking over. It would be easible if Lee continued to operate the company. It is up to the eople themselves to agree to this; it is not a legal question.

ldham: Was your proposal to cut the pensions of the 88 people now ut on pension?

lairmont: I don't care how you do it.

ldham: I want to know what you are talking about.

lairmont: All I am asking is that our bill for $130,000 be reduced o_____. How you do it, I don't care.

atterson: On this point, while I advise the union that we could not ontract to take away from these people what.....

lairmont: What is the alternative for the pensioners who are out if the company is being liquidated? Can they get more than what is in the fund?

atterson: What is in the fund?

lairmont: Presently, nothing. Suppose the company is put out of business, what can they do? They won't be able to get more than is in the fund.

arbu: If I might offer one thing. The function of the Rucker Plan in this type of situation would be primarily a productive function more than anything else. Aside from the workings of the productivity committee which will bring about the teamwork that will cut costs, its major purpose would be one which would assure the employees that as fast as the company attained a position where it was possible to pay the employee more than what they were getting now this would be paid.

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here are several things to be considered here. First of all, Rucker lans are installed on a year to year basis with both parties having he prerogative of withdrawing, so whatever productivity is estab- ished would exist for only one year and then either party could drop he plan. Another feature would be that very likely with the intro- uction of new ownership or management again within the expiration ate of one year a decision could be made to drop it by the new manage- ent. So the protection it would offer could exist for only one year. see no great purpose for it because the problem is not increasing roductivity and increasing costs. It is getting a greater and greater volume, and then attacking the problem of costs and increasing roductivity.

Burdon: First of all, if you can't produce a tire that is competi- tive there must be something wrong in the plant. If so, the Rucker plan fits in the picture. If you can produce something as cheap as your competitors, there must be something wrong in your marketing system. If we have a solution here I would like to hear from some- body else besides you (Clairmont).

Oldham: I wanted to ask what he was talking about when he said.... are you proposing to continue the future service contributions and cut the past service contributions in half?

Clairmont: Yes. Any new organization would continue to pay the current. The current part will be paid as long as the plant is going. The past service will be changed to a thirty year plan in whatever amount...we will change it from the minimum funding of the past service to a thirty year funding. So what is today $130,000 a year will be $200,000. In other words, we are increasing the amount to paid for past service and out of that amount we will pay half.

Patterson: As I understand, Mr. Clairmont, the commitment you have would cost roughly $600,000.....would more than fund the pensions of those 88 who are now on pension.

Clairmont: I don't think so.

Oldham: $600,000 would, roughly, pay the liability for those..... $575,000.

Patterson: In other words, the company is going to put in now $600,000 which will be more than enough to pay full pension to those who have already retired.

Oldham: $600,000 would be enough to pay the pensions.

Patterson: If $200,000 so far as the future is concerned, the company would be willing to contribute $200,000 instead of $130,000, if, for the future the company was contributing $200,000 instead of $130,000, why could not that almost reach the point of insuring those who retired in the future their normal pensions without seeing a reduction in the amount of pension or past service credit.

ldham: All that that would amount to is that the past service iability would be paid off ten years sooner--instead of 40 years t would be 30 years.

atterson: I'm wondering if we may have a Frankenstein building up. f the company has enough in the fund to insure the pensions of those ho have retired now and if a purchaser came along now and he would now that his liability for those employees still working was only 200,000 a year, why do we have to cut the service credit? This is point I don't understand.

lairmont: It would not be $200,000. It would be $100,000. In order o pay the past service we need to fund it over $200,000 to over 30 ears. If we would pay $200,000 for the next 30 years there would be nough for everybody. Today we pay only $130,000 and out of that.... e will pay the $600,000 and continue paying $100,000 a year which is nly $30,000 less than we are obligated to pay.

arbu: The one thing about it is with the working of the Rucker plan nd the cooperation of the employees costs of production can be reduced nd can attract additional customers. It is a slow way but it is an venue that can help.

lairmont: We are already trying to make improvements in the plant o cut costs.

ckert: Regardless of which of two ways you go, would the Rucker lan be helpful to you?

lairmont: I will accept any kind of plan that will give us a possi- ility to go out and sell enough tires to build up our plant. If we on't do that we don't need a Rucker plan.

urdon: If another company buys in and they are going to have to buy pension program, they will be able to pay for it--if you can show hem that you can produce a marketable product cheaper. What are you oing for these people to assure them that you are trying...?

lairmont: I am trying to build this company, but customers I cannot et. When I know there is nothing I can do, I am not going to fight losing battle. As long as there is a breath of life in this company I am going to try to keep it alive. Suggested sending people who can e trusted, people who know about marketing and selling, and let them ake a study for about ten days and make a report.

urdon: What good would it do?

arbu: How much would costs have to be reduced in order to put you in a competitive position that you are talking about?

lairmont: Let's make a joint study.

ommarito: Will you assume the cost of making a study?

lairmont: I would like to know how much it would be.

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bu: You mean if we make a study of what is involved--or a Rucker
n study?

irmont: I want to know what should be our cost between the prices
competitors ask and the cost we need to sell at competitive prices.

rbu: A full study for the Rucker plan would be something under
0,000, but a brief study we can make on the basis of a per diem
arge, which is $200 a day for a brief study which might be done in
week's time.

airmont: Even with good costs it isn't easy to sell tires--to go
om nothing to something--to build the market.

* * * * * * * * * *

ief recess for a discussion between Mr. Clairmont and Mr. Barbu and
iscussions between URW representatives.

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urdon: Mr. Barbu, in view of your discussion, how many days do you
hink it would take for you to make the survey?

arbu: I don't think it would take more than one week. Actually, on
he basis of the present volume, the task of solving the problem of
utting the company back in a solvent position cannot be accomplished
ompletely by a Rucker plan or employee cooperation or teamwork or
nything else. The only thing that the productivity improvement or
ost reduction can accomplish is to reduce ourselves at this low level
f production and build back towards higher volume.

Burdon: In view of this, I think it would be well, if it is agreeable
with Mr. Clairmont, that this study be made, with the International
Union to assume half the cost at a rate of one half of $200 a day.

Barbu: I am not sure just who would do it. I would want to check with
Mr. Rucker. It is entirely possible that his own people would want to
do it--no matter who does it you will get the same answers.

Burdon: This would include everything--not just tires?

Clairmont: I think we should concentrate where the problem is.

Burdon: We want a complete picture.

Clairmont: A complete picture would take more time. I have no
objection.

Barbu: This would also include travel expenses involved--normal to
our type of business.

Clairmont: We should also have a marketing analysis to determine
prices at which we have to sell.

Burdon: That is not our problem--we are concerned just with the inside
of the plant. As far as the pension thing is concernod, what kind of

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a proposition do you offer us on that. You don't want to cut any of the past pensioners, is that right?

Clairmont: My proposition is that our company will pay only a certain amount of money--you can do anything you want. Assuming that some company wants to buy--I would like to be able to say you can forget past service liability--we will assume that obligation.

Oldham: If you would find one of these people that seems to be interested in joining your company or whatever you call that--merger, partnership, we would, if and when you present that fact to us, be willing to sit down with you people and see what we can do concerning this past service liability. I don't know how. I won't promise you anything but we are willing to discuss it with you.

Clairmont: I only want your assurance that there will be no obligation for past service on any new company coming in.

Oldham: If this develops and there is someone interested and you give us encouragement along that line we will be willing to sit down and resolve this problem on past service--we would try to work it out if we could and we recognize that it is past service liability that you are complaining about.

Bommarito: If you got these people in, the production would increase in the plant?

Clairmont: Not over night.

Burdon: Should guarantee that everyone now on layoff would be offered return to employment in the plant.

Repaal. It seems to me that we have reached an understanding that we would agree to a survey. I think it only adds confusion to belabor this point. It would be more sensible after the survey is made and we get the results to sit down and try to finalize this other problem.

Burdon: If we are going to agree to this and make a survey and come out and get this same kind of proposition, I'll not agree to it.

Ockert: Can't you put in writing the changes you want to make in your contract with the union?

(No direct answer from Mr. Clairmont)

Patterson: Couldn't you work out the details and make it contingent upon some type of relief and then we would have a concrete proposition. It would seem to me that this could be accomplished without asking these people to cut their service credit. Maybe the funding wouldn't be the same but it seems to me that the point you are seeking to reach might be done in several different ways without cutting the people's service.

Repaal: I think we are entitled to know just what he is thinking about. I think he should set down in a letter just what type of relief he has in mind and give us a little time to study it.

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(No direct answer from Mr. Clairmont)

Oldham: Let me say I told you what we were thinking about the funding. There are many methods of funding that are being used and there are a lot of other methods. We recognize you could reduce the minimum fund. I assume that is why you proposed cutting the service. I don't think you believe that we can give you a commitment to tell prospective customers that the union is willing to change its method of funding. If there is something like that in the making we are willing to sit down and try to work the problem out.

Barbu: In approaching your stockholders to absorb this particular amount, is your concern basically with the total liability or the monthly or annual payments involved. Supposing you were to approach your stockholders and tell them this was going to be for $65,000 for 80 years. Could you sell that in lieu of the total amount? Would they buy something like that rather than reduction in service credit?

Clairmont: It is impossible to tell how the stockholders would decide.

Bommarito: I think what should be done is make this study and evaluate from the study.

Burdon: What is your study going to tell us?

Barbu: I would hope that first of all you would pinpoint the area of loss and degree of loss, the effect that productivity itself has on the loss and the effect that volume has on the loss. This then tells us what area we are trying to solve. I am hopeful it will tell us how much improvement or loss will be generated by volumes of different degrees. In other words, at 2,000 tires a day the company will lose x dollars. We are going to do it on a total plant cost basis.

Barbu: I don't believe we could predict how long it would take to go in and accomplish something like that. The key to it is a study to determine how lower prices can be established without putting the company in complete jeopardy of going out of business.

Repaal: One thing it is difficult for me to understand--you come in here and apparently you want to walk away with an answer and that answer is physically impossible. You come in and ask us to cut the past liability in half. This is something that is almost impossible to do. However, there are other ways of going at the funding business to accomplish the same end. We recognize your problem. We will spend some of our money to try to get the facts but, because we are dealing with so many other companies, to give you the answer you want is physically impossible. We will have to have some time among ourselves to discuss this problem.

The meeting adjourned with unanimous agreement to conduct a joint survey with the cost to be shared by the company and the union and with the understanding that further discussions would be held when the survey is completed.

PTO 91A

1814A

May 1, 1963

Mr. Charles T. Hess, Jr., President
Local Union No. 227, U.R.C.L.P.W.A.
621 West Lafayette Street
Norristown, Pennsylvania

Dear Charlie:

As we have advised you during our previous discussions the number of people presently employed in the various operations connected with tire manufacturing is higher than needed in relation to the production capacity that we can obtain presently with the existent labor force in our tire building department and its respective rate of productivity. Thus, we are faced with the alternatives of either laying off an additional 12 to 15 people throughout the various departments, or balancing the tire building production with the rest of the plant, which would necessitate the recall of about 14 people, of which 8 would be tire builders. This would result in a rate of production of about 3000 tires daily, namely, 600 above the present daily rate, and would result in a balanced operation between the tire building department and the rest of the plant.

Although there is no improvement in our general sales picture, in order to avoid further lay-offs we have decided to raise our rate of production and our inventories in the hope that we may improve our sales picture in the future, and at the same time also obtain a somewhat better manufacturing cost as a result of higher output. However, we feel that if we have to recall employees on the basis of plant-wide seniority for the tire building department, this would result in higher manufacturing costs and complete lack of efficiency in production due to the lack of skill and experience of the recalled employees for tire building jobs.

I understand that at the meeting held in Akron on April 16 the representatives of both the Local and the International Union who were there seemed to show understanding for the problems of the Company and expressed their willingness to cooperate with us in any endeavor to raise production and cut down the cost of production. In the light of this attitude, we suggested to you, that in spite of the present provisions of the working agreement providing for plant-wide seniority, you agree that we should be entitled to recall for the tire building department experienced tire builders, while for the other jobs we would apply plant-wide seniority. However, we were disappointed to see that in spite of our efforts to raise production and thus eliminate the necessity of further lay-offs, you have refused to date to cooperate with our suggestion.

(continued)

1815A

As we understand, you would like to submit this matter to your membership and asked us to write you this letter so that you may submit our written proposal to them.

We would like to emphasize that the above-mentioned proposal is made only in the spirit of trying to avoid further lay-offs, and although we do not know which turn our sales may take, we hope to keep our new rate of producing 3000 tires a day on a steady basis, thus stabilizing the employment of the plant. By doing so, we would not only avoid a lay-off of another about 15 people but also recall about 14 people, thus keeping employed a total of about 30 people, for whom otherwise, based on our present rate of production, there would be no employment.

We feel that it is to your own interest that you should cooperate with us in avoiding the unemployment of about 30 employees and at the same time give us a chance to increase our production, but not on the inefficient basis which would result from using inexperienced employees in the tire building department.

We hope that your membership will take an enlightened view on the subject for their own best interest.

Sincerely yours,

A. E. Barkett

A. E. Barkett,
Vice President-Manufacturing

cc. Mr. Michael Sabol
316 Starr Street
Phoenixville, Penna.

Mr. John Baldante
1432 Brunswick Avenue
Trenton 8, New Jersey

cc. Messrs. Clairmont ✓
Conway
Garthwaite, Jr.
Heinrich

{ not shown on original }

92A

COPY

LEE RUBBER & TIRE CORPORATION

CONSHOHOCKEN, PA.

June 25, 1963

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Charles T. Hess, President
Local 227, United Rubber, Cork,
Linoleum and Plastic Workers of America
621 West Lafayette Street
Norristown, Pennsylvania

Dear Mr. Hess:

At yesterday's meeting we explained to you that it is impossible for us to continue our work under normal conditions during this week being faced with the strong possibility of a strike by June 30. If such work were to continue normally, and if we were to mix new stock for manufacturing, our risks for damages and losses would be very substantial due to:

(1) Spoilage of such stock if it were to stay unprocessed for a long time, especially during the summer months, and

(2) The fact that much of such stock in process would be made for special goods which, if not manufactured and delivered in time, would be cancelled by our customers and, thus, the stock in process prepared for the manufacture of such goods would be completely valueless.

We, therefore, have suggested to you that due to the short time remaining between now and June 30, and the complex issues involved, it may be impossible to reach an agreement by that date, and in order to be able to continue our negotiations without having to interrupt our work, a temporary agreement be reached providing for continuation of work under certain conditions that would eliminate the above-mentioned risks for losses and damages and, at the same time, present the strong possibility of losing important accounts who may switch their orders to other suppliers. You have, however, refused to enter into such an agreement.

We are attaching hereto the proposed agreement which would enable us to continue normal production operations while negotiations are proceeding even beyond the

Cont'd.

June 30, 1963 deadline. This, we feel, would give us a better chance to reach an agreement by having more time available without exposing the company to substantial losses that it is trying to avoid. This agreement is self-explanatory and if you should still decide to accept it substantially in the proposed form, we will be glad to enter into such agreement.

Please advise.

Yours very truly,

LEE RUBBER & TIRE CORPORATION

W. L. Heinrich

WLH:E
Enc.

CC: Mr. Michael G. Sabol
Starr Street
Phoenixville, Pa.

Mr. Robert Garber
310 N. Price Street
Pottstown, Pa.

June 24, 1963

MEMORANDUM OF UNDERSTANDING

This Agreement made and entered into this 24th day of June, 1963, by and between Lee Rubber & Tire Corporation, Conshohocken Plant, Conshohocken, Pennsylvania, and Local No. 227, United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO:

Whereas, the parties hereto are the parties to a collective bargaining agreement entered into on June 30, 1961, which expires by its term on June 30, 1963; and

Whereas, the parties are now engaged in negotiations seeking to conclude a new collective bargaining agreement as a result of the early termination date of their present agreement; and

Whereas, it appears that the many complex issues now open before the parties may not be satisfactorily resolved to their mutual satisfaction prior to June 30, 1963; and

Whereas, the Union has taken a strike vote of its membership wherein sanction to strike was approved by an overwhelming majority of the membership; and

Whereas, it now appears possible that the Union may engage in a strike at any time subsequent to June 30, 1963; and

Whereas, the Company desires to protect itself against unusual losses and costs arising out of a sudden cessation of operations stemming from a strike; and

Whereas, both parties hereto desire to faithfully continue the negotiations free from the pressure of arbitrary deadlines; and

Whereas, the Union agrees that it would be desirable that work should not be interrupted until such time that a final outcome of these negotiations shall be determined without the Company being exposed to the risks and damages that would otherwise result from a sudden strike; and

Therefore, it is now agreed as follows:

(1) Should the parties be unable to reach an agreement by the contract termination date of June 30, 1963 work shall continue thereafter on a day to day basis without any agreement while negotiations are still continuing and in the event the Union decides to resort to strike action, at any time after June 30, 1963 it agrees to give the Company a seven (7) working day advance notice of such strike action, and during such period of seven working days all of its members shall perform any necessary production and maintenance tasks required by the Company in order to permit the Company to complete the conversion into finished goods of the work then in process and the shipment of such goods.

(2) The Company shall have the right at any time after June 30, 1963 to terminate this Memorandum of Understanding upon giving the Union seven (7) working days notice.

(3) During the period of this temporary agreement the relationship between the Company and its employees shall be governed by the provisions of the agreements which expire June 30, 1963, which provisions shall be respected by the Company, the employees, and the Union, and the Company shall not put into effect any of the changes to the said agreements which it has requested, nor any other changes.

Cont'd.

(4) In case work continues as aforesaid, on a day to day basis, it is understood that the membership shall perform the production functions in a normal manner and there shall be no walkouts, slowdowns, work stoppages or any action interferring with normal operation.

UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA, LOCAL 227

_____

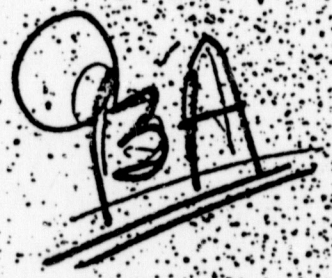
_____

LEE RUBBER & TIRE CORPORATION CONSHOHOCKEN, PENNSYLVANIA

_____

_____

DC: Messrs. Clairmont (2)
Conway
Hall
Burnstein



July 3, 1963

Mr. Charles T. Hess, President
Local 227, United Rubber, Cork,
Linoleum and Plastic Workers of America
621 West Lafayette Street
Norristown, Pennsylvania

Dear Mr. Hess:

Please find enclosed copy of statement read by Mr. M. M. Clairmont at the meeting held with your Union Committee in the presence of Messrs. Comanbo and McGee of the Federal Mediation and Conciliation Service, together with copy of the alternate plans which are to be considered as a part of the above statement.

We regret that you have hastily rejected these two plans at a subsequent meeting today, and wish to advise you that should you want to reconsider, our offer to recommend either of these two plans to our Board for adoption still stands.

Yours very truly,

THE RUBBER & TIRE CORPORATION

W. L. Heinrich

WLH:E
Enc.
cc: Messrs. Sobol
Carbon
McGee

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STATEMENT READ BY M. M. CLAIRMONT
7/3/63

It is not my purpose at this meeting to negotiate here today because this is the task of the Negotiating Committee which was appointed by our Executive Committee and, contrary to certain allegations made during the negotiations, this Committee has full powers to negotiate on all specific issues. Of course, our Negotiating Committee is reporting from time to time about the progress of negotiations and is reviewing the situation with top management and certain members of our Executive Committee, exactly as the Union is doing by reviewing things with its membership and the International Union. I am here as the representative of the Board of Directors and chief executive of this Company to make the Company's position perfectly clear because it is my feeling that the Union Committee and our employees do not have a real grasp of the economic factors referring to labor costs we are confronted with, irrespective of the unsatisfactory volume of sales.

Since a deadlock seems to have developed, I have been desperately searching for a solution that should give the Company the economic relief it needs, and at the same time give our employees a chance to regain the requested wage reduction so that they may eventually wind up with the same take home pay, which is, as I understand, what the Union insists on. So as to save time and keep the flow of ideas in proper order, I put on paper what I have to say and I would like to read them to you. I would appreciate if you will not interrupt my statements, even if you may disagree with them, but rather take notes and present your remarks later, and we shall proceed on our side in the same way so that we can make progress and utilize our time constructively and efficiently.

Before going into the very subject of the plans I here want to present, I would like to make a few general remarks, some of which may have been made before. Even so, I would like to present them from the angle from which our Board and top management is looking at them. Also, I would like to make some remarks in connection with matters that concern me personally.

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(1) The Union has mailed a letter to its membership aimed at me personally, based on unsupported and self-serving allegations and accusations from a lawsuit of one of our Directors, Mr. Norman Kahn, against the Company and myself. It did not include in such letter my denial of all accusations made by Mr. Kahn contained in my answering affidavit. I do not think that it is fair to use in connection with the issues at hand unsupported, unverified and mischievous accusations made by a certain party who may have special interests of his own for doing so. I do not want to enter into arguments about this matter here, and all I have to say is that while I can stand on my record that I never liquidated a company but on the contrary changed things around to make it again become successful, I can only recommend that the Union check Mr. Kahn's past record and activities - compare it with mine - and draw its own conclusions.

(2) As you know, the problems we are facing are serious and urgent, not only on account of the huge losses resulting from present operations, but also on account of the serious threat of losing our only two principal outside customers. The first one has already ordered its molds out due to the prevailing situation, whereon the second one has approached us expressing concern about the situation, and raising the question of canceling their contract with us if the problem of a steady and assured supply of goods to them cannot be resolved quickly. Once lost, it will be almost impossible to regain these customers, and our volume of production and sales could be further substantially reduced, even from the low level at which we have been operating this year, driving our costs even higher than they already are.

(3) I have read the minutes of the various negotiating meetings and at one point Mr. Carter stated that the Union and the membership are suspicious of the top management and myself, and of our motives. It is too bad that this feeling exists, and I only regret that we are not given a chance to dispel it through the actions

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that will follow if we could get your cooperation. However, this lack of trust in myself although not conducive to a constructive attitude on the part of the Union in connection with negotiations, is irrelevant to the issues at stake which are based on hard, cold figures which can be [illegible], and which are and will be there irrespective of who is running this Company. Also, I notice from the reading of said minutes that much precious time was spent without enough emphasis on the figures and economics of costs, and I would like to attempt to fill this gap because I feel it will be useful for the Union to have such facts and figures if it wants to reappraise its position. However, before going into specific figures I feel it is necessary to make first a few general statements regarding the key issues of a purely economical nature:

(a) Wage reduction - Based on investigations we made, our employment costs, namely, wages and fringe benefits for Union labor, are presently the highest in the industry when related to production per man hour, which is the only proper way to measure cost of labor. The question of cost does not lie entirely in how much in dollar and cents one pays to an employee for his work, but what one really gets in the way of production for such pay. As evidenced in the report from the management consultants recommended by the Union, our Union labor costs are today 50% higher per lb. produced, than in 1939, while tire prices are much lower today. During this period competitors have succeeded to maintain their profitability by increasing productivity in line with the increase of wages, but the reverse happened at Lee and while wages were going higher steadily, productivity per man hour dropped substantially. We have made a thorough study and were shocked to find out that our Union labor cost on a per lb. basis is today more than double the average cost of our competition. We also know what large volume customers are paying for tires today and, thus, could compare those prices, (which include the profit for the respective company, plus all their general, selling and administrative expenses, and all their conversion costs) with our conversion costs in order to very quickly realize how far behind we are.

You know that this Company has done nothing about reviewing its whole wage and rate structure since the war, while our competitors put into effect programs of job evaluations, restudying and revision of rates on a proper scientific basis. The result is that we are today caught with an antiquated wage structure, entirely inadequate for inducing the efficiency and productivity that our competitors have. Therefore, as further explained in detail, we need an immediate wage reduction until we can put our house in order with respect to the present anachronistic and unjustifiable labor compensation structure.

(b) Key jobs - While this may not be an important issue with companies whose level of production and employment is well stabilized, it is a major issue here at Lee because of the drastic reduction in production imposed by lack of sales and the necessity to gradually rebuild a proper level of production as sales are being developed. The substantial layoffs and recalls resulting from such most unusual convulsions play havoc with the whole production process and the necessary efficiency. You are well aware of the readjustments and bumping resulting from the layoff and rehiring of only one employee, so you can visualize the resulting bedlam if the same situation would apply to hundreds of employees that may have to be moved into jobs for which they have no experience. We have been through it during the layoff period and we cannot afford to go through such a nightmare again. While we are willing to recognize the principle of plant-wide seniority, we have to have certain key jobs exempted so that at least the lack of bumping into such key jobs will prevent efficiency and productivity to drop to a point where our costs would run sky high. To show our good faith we even agree that, except for tire builders, we would want to give up the requested provisions regarding exemption of key jobs as soon as our production has become stabilized for a certain length of time, at a certain level of production that we must achieve in order to be competitive.

I have seen in the minutes that during negotiations there have been repeated complaints on the part of the Union representatives about bad stock, waiting for stock, etc. How else can it be if by applying strictly plant-wide seniority we wind up

with learners on all jobs, who, through lack of experience, skill, etc. create the poor conditions that the other employees in the plant have to contend with.

(c) Job evaluation program, including points of procedure, job content, rates, etc. - Enough has been said, I think, during negotiations about this so I do not want to belabor this point extensively here. Let me only say that this is a fundamental principle that has to be at the basis of any wage structure, and every company has had such program at some time or other, after which it has been periodically reviewed to bring it up-to-date with changed circumstances.

I know that Kohler did it entirely on its own without any interference of even arbitration provisions at its Kohler Plant. Cooper, as we have shown you, has a committee to jointly work on such job evaluation with arbitration from a qualified, reputable engineering firm selected in advance, and in order to dissipate your fears to have agreed to proceed on the same basis as Cooper, giving you the right to have arbitrated by an independent engineering firm (selected as provided in the proposals made) any change you feel and consider unjustified. I do not see what more one can do to show a fair attitude with respect to such program.

X (d) Recording fill - Besides some necessary clarification of wording, to have agreed to give up all our original demands contained in our original proposal, except for the one dealing with severance pay to employees laid off for more than two years. We agree to the payment of such severance pay but only to the extent of the amount available in the SUB trust fund. We feel it is impossible for the Company to take the additional tremendous burden of such severance pay, in addition to two other very substantial burdens already undertaken as part of the Welfare Agreement, namely, an actual one consisting of the funding of past service liability which amounts to about $200,000 a year, and another potential one payable in case the company discontinues completely and permanently its operations. Our Board feels it is impossible for the Company to assume such severance obligation which would run into very substantial amounts because to have been or may be forced to lay off people on account of lack of sales, which in turn result from uncompetitive costs, which in turn result from the

unwillingness of the Union and the employees to enable us to achieve competitive costs. This is a vicious circle, and the worst of it is our unduly high employment costs which eventually precipitate themselves into an inability to sell and resulting layoffs. We should not be precluded by such severance pay obligation because our employees do not give the Company a chance to cut its employment costs which is the main reason for the situation that necessitates layoffs.

After making these general remarks, I would like to present to you two solutions which, if the Union agrees to our economic demands, would give our employees a chance to regain the requested reduction in wages. I have no authority to submit them to you as firm proposals because they have not been reviewed and approved by our Board, and they represent only ideas that I personally, together with some of the other members of our top management have tried to devise. Therefore, I want it understood that they are subject to approval of our Board. However, it would be useless to submit them for discussion unless we have some favorable reaction from you that either of these two solutions would be acceptable to you, substantially in the form presented or with such variations that we may agree upon. I further want to call to your attention that the plans being submitted to you are only in draft form, without having been reviewed either by legal or tax counsel, and are only meant to give you an idea of the highlights. Obviously if either of them is agreeable to you in principle, details and proper wording will have to be worked out specifically.

I therefore will read now one alternative plans - one based on profit sharing above a certain minimum return on our stockholders' investment, and the other based on and tied up directly to reduction of Union labor costs per lb. of production.

(read Plan One)

(read Plan Two)

As you can see from the above plans, the first one, based on sharing of profits resulting from the operations of the Zinc Division, could bring better financial results

to our employees if our operation becomes really successful; but on the other hand, it makes such results dependent on other factors besides labor contribution to efficiency and productivity like, for instance, volume of sales and the resulting production overhead, general, administrative and sales costs, ability of management in all the areas of this Division's business, and other such factors over which labor has no control. It is also more complicated from the point of view of determination of the profits of the Tire Division based on the principles enumerated in the proposal.

The second plan, however, is much simpler and is directly related to factors over which our employees have a direct control, and would bring them the respective benefits irrespective of what the profits of the Division may be, of the volume of sales achieved, and of any other conditions over which the employees have no control. It is a simple plan, easy to follow and check, very much in line with the "so called" Bucher Plan, in which the International Union seems to be interested. It boils down to the fact that - to the extent our employees can help us reduce our Union labor costs per lb. - they will split equally with the Company the resulting savings.

We hope the above proposals will convince you of our good faith and willingness to find an equitable solution to our problems. No other company in our business has offered such a generous approach to share its profits or savings with its employees, and we in management will do our utmost to convince our Board to accept such proposals in order to get out of the situation in which we find ourselves. We cannot continue for much longer on the basis on which we are operating now, and we are doing it at a tremendous sacrifice only to gain time and exhaust every possibility of getting together by convincing you of the necessity of your contribution in order to make the first steps towards becoming competitive and not having to sell our products at substantial losses. We cannot afford to continue to bear the huge losses which are building up and, therefore, we cannot change our stand on any of the economic issues on which we have requested relief and which are dictated by the need of survival. Our demands are motivated not by the desire to make more money, but by the need to reduce losses that run at the rate

of a few hundred thousand dollars handily and such demands are objectively justified by the facts and figures I have cited.

We do hope that the proposals made today should enable you to change the adamant position you have shown until now because, I repeat, as far as we are concerned we cannot make any further concessions of an economical nature. Even if our requests were accepted, our costs will still be high unless our people really want to cooperate with us all the way to get the proper production for the money paid. We have cut all our other costs to the bone in all other areas but there is nothing we can do about our Union labor costs unless you see fit to recognize our need for such lower Union labor costs. As we mentioned above, our Union employment cost per lb. is about 5¢ higher than that of our competition, which on a passenger tire averaging about 20 lbs. in weight would amount to $1.00 per tire. Since the average selling price per tire is about $9.00 per passenger tire, it seems that we have an extra burden of about 10% on the selling price of each tire resulting only from differential in labor costs not to speak of the additional differentials resulting from tremendous high overhead due to small volume production and high cost of sales due to our present system of distribution. How can any company exist when saddled with such an excessive differential? We have heard during these negotiations accusations of bad faith bargaining. We fail to see how the effort of a company to cut its excessive labor costs can be called bad faith bargaining, especially when the company is losing money at the rate we are and with no end in sight to stop such losses unless it is being given the opportunity to bring such labor costs and its efficiency in production in line with its competitors. If our labor costs were right, we could sell at competition's prices and even undersell it and, while our competitors would be making good money selling at those prices, we would be satisfied to just break even in order to gain additional distribution.

No management, no matter how able or dedicated, can accomplish miracles, and to perform the job it must be given the same tools as those of its competitors. Unless the competitive disadvantage of higher employment costs of a company can be eliminated,

it is hard to see how such a company can continue in business without gradually dissipating all its assets and eventually still be forced out of business. We have accepted your demands which were not of an economic nature and have relinquished many of our original requests for changes, but cannot give in on all other requests which directly and substantially affect our cost of production and our chances of becoming competitive. On the other hand, the Union has not seen fit to yield at all from its position of maintaining the status-quo on all important issues. We are striving for peace but cannot accept peace at any price. The price you are trying to force us to accept could mean the rapid loss of all the current assets of the Company, and still not succeed to cure the basic root of one of the major ills which causes such losses. It is the duty of those responsible for the destinies of a company to eliminate losses so that the company can preserve its assets, and by using its financial resources - before they are dissipated, rehabilitate itself and justify its existence to the stockholders whom they represent.

We would appreciate if you will give serious thought to the fact that a $3.30 per hour labor cost (including fringes) is decent pay in the area where our employees live, and such cost is not far from being in line with the employment cost of the successful competitors with whom we have to compare ourselves (like Cooper, Mohawk and Mansfield), although for about the same money they get much higher production per man hour. We want you to also consider that if you agree on either of the plans submitted today this employment cost would be supplemented by the potential additional compensation that should result if we obtain better production costs or show a profit, according to the alternate plans submitted.

May I also remind you that the employees of other unionized companies have been fit to give the necessary relief to their employers, which often were in much better positions economically and without the acute problems that we have. To cite just one example in our industry, Dunlop, probably the third largest rubber company in the whole world, with tremendous resources and an enviable profit picture with which we cannot even start to compare ourselves, was able to obtain a 10% reduction from its unionized

employees at their Buffalo plant, when it was recognized that such reduction was necessary to put that plant in a more competitive position.

Finally, to show our good faith, let me say that if the Union is willing to approve the requested wage reduction, we would be willing to eliminate it totally or partially, to the extent needed, at any time it can be proven to us that our Union labor employment cost per lb. of production is in line with that of our successful, comparable competitors.

I do have the sincere hope that you will seriously consider the two alternate plans now submitted because we think they offer the best chance to eventually reach an agreement. Please examine them in a dispassionate manner, and let us concentrate more on figures and facts instead of wasting time on accusations and recriminations, which accomplish nothing and are not conducive to making headway.

The above summarizes the position of our Company, and so that there will be no misunderstanding about it - nor about the plans submitted, I shall be glad to mail in letter form the statement I have read to the Union Committee, with copies to the International Union and the Federal Conciliator.

If you have any questions regarding statements I made here today, or in connection with the plans submitted, I will be glad to answer them; otherwise, I shall withdraw at the present time and let negotiations be resumed with our negotiating committee.

LEE RUBBER & TIRE CORPORATION

BY: C. M. Williamson

Subject to accepting our proposals, as amended to date, we submit a profit sharing plan as follows:

(1) After the Lee Tire Division has obtained from its operation at the Conshohocken plant a profit equal to a 10% pre-tax return on the investment it has in the Conshohocken manufacturing operation (presently amounting to about $ 16,500,000), the excess shall be shared in the proportion of two-thirds to the Company and one-third to its employees in the bargaining unit. The amount accruing to the union employees shall be distributable to each such employee on a pro-rata basis of his gross earnings for the year to the total amount of yearly gross payroll to all union employees, and shall be payable within 90 days from the publishing of the Annual Statement of the Company.

(2) Only profits from operations shall be considered and, in computing them, no consideration shall be given to capital gains or losses, and since the pre-tax results are to be considered, no carry-back or carry-forward of tax loss affecting the general profit picture shall be taken into account. Also in computing the abovementioned profit for the purpose of profit sharing, there shall not be taken into account the profit and loss changes that may result from LIFO inventory variations, and any adjustment to the profit and loss resulting from variations in the LIFO inventory versus the previous year shall be disregarded when establishing the profit as outlined above.

(3) All accounts and Profit & Loss Statements shall be computed on a basis consistent with the past.

(4) Any increases in salaries or other management compensation above present levels, if any, shall be disregarded in computing the profit as abovementioned.

(5) The auditors of the Company (Peat, Marwick & Mitchell) shall prepare within 90 days after the completion of the annual audit, a special report showing the computation of profit as abovementioned for the purpose of profit sharing, showing also the excess, if any, above the agreed return on investment abovementioned, and the amount distributable to the employees. Such report shall also show all the adjustments made according to the provisions set forth below, in order to arrive at the above figures. Copies of such report shall be furnished both to the Union and the Company.

(6) The report and figures as established by said auditors shall be binding both for the Company and the Union, but the Union shall have the right to request and obtain from the auditors any explanation and data showing how the final figures were arrived at, and should any error be found or any objection justified, the necessary correction shall be made.

Note 1 - The Company's investment in the Lee Tire Division shall mean to be its equity or net worth arrived at by deducting from its assets used in the respective Division all the debt pertaining to such Division. Such net worth shall be established by common agreement at the signing of the Agreement, and shall continue to be computed on the same basis in the future.

Note 2 - A computation is attached showing the return on investment of two of the major rubber companies, namely, Goodyear and Firestone; also of three tire

companies - Armstrong, Cooper and Mohawk - which we can consider as our real competitors since they do not have any diversification outside the tire business like the two majors mentioned above. The figures are self explanatory and show that the target established for Lee of only 10% pre-tax is a very modest one in comparison with the results of other companies. It is also worthwhile noting that the results of the other companies are arrived at after very substantial payments of interest on long-term debt (which Lee does not have), and that their profits would be much higher if no consideration had to be given to the payment of such financial charges.

We arrived at the above figures by taking the total net worth of the above-mentioned companies, after deducting all debt (including long-term) in order to figure their equity investment.

1962 NET INCOME BEFORE TAXES

1962 YEAR END NET WORTH

ARMSTRONG	8,750,000 / 46,350,000	=	18.9%
COOPER	3,380,000 / 11,504,000	=	29.4%
MOHAWK	1,837,000 / 11,615,000	=	15.8%
FIRESTONE	125,300,000 / 644,001,000	=	19.5%
GOODYEAR	144,710,000 / 690,617,000	=	20.07%

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EXAMPLES OF PROFIT SHARING AT VARIOUS PROFIT LEVELS

(Based on Net Worth of approximately $16,500,000 in Tire Division)

A - Company obtains basic minimum pre-tax profits of 10% on $16,500,000, or $1,650,000

B - Thereafter, Profit Sharing occurs as follows:

RATE OF PROFIT RETURN ON INVESTED CAPITAL	YIELDS PRE-TAX PROFITS OF	EXCESS PROFITS OVER 10% MINIMUM RETURN ON INVESTMENT	SHARES OF PROFIT TO:	
			COMPANY (2/3rds)	UNI. EMPLOYEES (1/3rd)
11%	$1,815,000	$ 165,000	$ 110,000	$ 55,000
12%	1,980,000	330,000	220,000	110,000
13%	2,145,000	495,000	330,000	165,000
14%	2,310,000	660,000	440,000	220,000
15%	2,475,000	825,000	550,000	275,000
16%	2,640,000	990,000	660,000	330,000
17%	2,805,000	1,155,000	770,000	385,000
18%	2,970,000	1,320,000	880,000	440,000
19%	3,135,000	1,485,000	990,000	495,000
20%	3,300,000	1,650,000	1,100,000	550,000

Alternate proposal to the Union for benefiting from reduction of labor costs and increased productivity and efficiency if the profit share agreement, submitted separately, is not acceptable to the Union.

Preliminary Information

Our present employment cost of union employees including fringes amounts to about 15.2¢ per lb. of product manufactured. This has been checked and shown in the report submitted to the Company and the Union by the management consultant firm, Strong-Narovec, suggested by the Union. Out of the 15.2¢, 11¢ represents actual wages and 4.2¢ represents fringe benefits.

A 25% reduction on wages would amount to 2.75¢ per lb. of production, which if accepted would bring down our total employment cost on a per lb. basis to 12.45¢. Even this reduced cost would be much higher than the employment cost of our competitors, per pound of production, which is on the average of about 7¢, and in some cases even less.

At this point I would like to clarify what is meant and what is understood in the industry as "Conversion Costs" because we are going to refer later in our discussion to this term. "Conversion Costs" mean all the expenses necessary to manufacture a product, in our case a tire, with the exception of the cost of raw materials. It includes all the costs of union labor and fringes, all the costs of salaries of non-union production personnel including supervisors, technical group, laboratory, engineers, etc. and all other items of general factory overhead like power, steam, supplies, repairs, repair and maintenance materials, depreciation, real estate taxes, etc., and generally speaking all items necessary in connection with manufacturing and shipping tires. It does not include, however, the freight to the customer nor does it include general administrative, sales and corporate expenses.

Based on our research and studies, we have ascertained that the average conversion cost of competitive companies in the tire business is between 14¢ and 15¢ per lb., of which about 7¢ represents union labor wages and fringe benefits, while the balance covers all other conversion costs as explained above. This shows that the total cost of conversion per lb. of our competitors which includes all the

above items is somewhat lower than our cost of union labor wages and fringes alone, per pound of production.

Thus, even if the wage reduction requested by us would be accepted by the Union, our resulting union labor employment cost of 12.45¢ per lb. of production would be about 80% higher than the 7¢ of our competitors.

We would be glad to achieve at least a union labor employment cost per lb. that would be 15% higher than our competitors, or about 8.05¢. We are proposing that if the Union agrees to our requests for economic relief which we urgently need in order to reduce our present staggering losses in the Tire Division and tremendously high union labor cost per lb., we would be willing to split with our unionized employees on a 50-50 basis the difference by which the cost of our labor per lb. would be lower than the abovementioned cost of 12.45¢ per lb. which would result if the 25% reduction in wages would be accepted.

We are giving below a practical illustration of how that would work on the assumption that (1) the Company would produce 3,000 tires daily (equivalent to about 1-1/2 million lbs. monthly) and (2) that our union labor cost per lb. would be reduced to 8.05¢ per lb. (which in our opinion should be and obtainable target since it is set at about 15% higher than our competition). On the basis of the above premises, the saving per lb. would amount to 4.4¢, half of which, namely, 2.2¢ would be credited to a fund in favor of our employees, to be distributed to them 90 days after the end of each fiscal year on a pro-rata basis of each employee's gross earnings to total gross yearly payroll of union employees. On a monthly basis on a production of 1-1/2 million lbs. per month this would amount to $33,000. contributed by the Company to said employees fund, or $396,000 on a yearly basis. Since according to our figures a production of 3,000 tires daily would require about 270 union employees, the average yearly credit would be about $1,466 per employee.

Our present plant average wage amounts to $2.90 whereas our fringe benefits amount to $1.12 per employee, for a total employment cost per hour of $4.02. Therefore,

per hour, bringing down the present average to about $2.18 per hour. By adding thereto the fringe benefits of $1.12 we arrive at a total employment cost per hour of $3.30.

Based on the above figures if the requested wage cut were accepted, our average employee would have his take home pay reduced by about $1,500 yearly (72¢ x 2020 yearly employment hours). However, if our abovementioned proposal is accepted and if our productivity would come close to that of our competitors, such loss of earnings would be almost entirely offset by the abovementioned average credit of about $1,466.

The above proposal has the merit of giving our employees the possibility to recoup the requested wage cut if they are sincerely willing to cooperate in our effort to cut our labor cost per lb. to a figure comparable to that of our competitors. This can be achieved by the Union and our employees by means within their control irrespective of the losses that the Tire Division may have for any other reasons like reduced sales, high production overhead resulting from such low sales volume, high general and administrative expenses and any other factors depending on management which the Union and the employees cannot control.

The savings that the Union would split with us would become even larger than the abovementioned amount of $396,000 if an improving sales picture enables us to gradually raise production above the low level of 3,000 tires daily because by using more people the cost of fringes per lb. would be reduced. Our fringe benefits today are probably the highest in the industry whether considered on a dollar and cents cost per employee per hour or as a per lb. of production basis; since we have to maintain them they cannot be ignored, being as much a part of employment and production costs as wages.

Various important facts to be considered in connection with the above proposal:

(i) The employment cost per lb. is not influenced by the volume of sales and, therefore, the present low volume of production and sales has no bearing at all.

(2) We are in a position to produce as competitively as most of our competitors from the point of view of equipment and machinery. The abovementioned 3,000 tires daily can be produced by using only our modern equipment which is as good as our competitors have, and we can even reach a production of about 4,600 tires a day using only the modern equipment at the plant. If and when we reach a sales level to take care of such production, we would be glad to add additional tire building machines to balance that department with the production capacity of our modern machinery in the curing department (Bagomatics), in which case we could produce about 5,500 tires daily. With that level of production and proper productivity and employment cost per man hour as outlined above, the losses of the Tire Division would be eliminated and we would probably even show some profit from this operation.

We would like also to point out that our plant besides having been modernized with new machinery in the last few years has also been almost entirely conveyorized, thus correcting the expense that may result from using manpower due to a layout which is not as desirable as a brand new plant constructed today. We spent in the last six years over $6 million to bring our plant in an up-to-date condition.

Since both the local as well as the International Union have stated that they would like to give us all the cooperation to increase our productivity and reduce our high cost of production, we think the above proposal offers a fair solution to accomplish that and give our employees in the Union a chance to recoup the requested wage cut, which presently is an economic necessity for us.

Finally, we would like to submit to you that to make the above proposal successful, a restudy of job rates and present practices becomes a necessity because only through such program can our employees achieve the better productivity which would assure them an opportunity to increase their wages beyond the suggested reduced minimum, and thus regain the reduction of wages presently requested and necessitated by the Company.

NLRB-501 (6-60)

1841A

Exhibit 94A

94A

Form approved, Budget Bureau No. 64-R101.11

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD

CHARGE AGAINST EMPLOYER

INSTRUCTIONS: File an original and 4 copies of this charge with the NLRB regional director for the region in which the alleged unfair labor practice occurred or is occurring.

DO NOT WRITE IN THIS SPACE

Case No. 4-CA-3029

Date Filed 7/8/63

1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT

Name of Employer: Lee Rubber & Tire Co.

Number of Workers Employed: 260

Address of Establishment (Street and number, city, zone, and State): Conshohocken, Penna.

Type of Establishment (Factory, mine, wholesaler, etc.): Factory

Identify principal product or service: Tires & Rubber Products

The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8 (a), subsections (1) and (5) (List subsections) of the National Labor Relations Act, and these unfair labor practices are unfair labor practices affecting commerce within the meaning of the act.

Basis of the Charge (Be specific as to facts, names, addresses, plants involved, dates, places, etc.)

Since May 29, 1963 and threreafter and continuing to the present time, the above named company has refused and is refusing to bargain in good faith with Local #227 United Rubber, Cork, Linoleum, and Plastic Workers of America, AFL-CIO, the certified representantive of the production and mantenance workers, in that the negotiating committee appointed by the Company Board of Directors to meet with the Union Negotiating committee appears to have no authority and has exercised no authority to bargain, discuss to a conclusion, negotiate, or to arrive at any agreement or part of any agreement in meeting with the union negotiating committee, and further has been unable to explain, clarify or change in any manner certain written proposals given to it for presentation to the union committee, and further has no authority and has exercised no authority to reach any conclusive agreement on any proposal presented to it by the union negotiating committee in an attempt to reach agreement or to narrow differences of opinion in the current contract renewal negotiations.

JUL 8 '63 AM

2. Full Name of Party Filing Charge (if labor organization, give full name, including local name and number)
Local Union #227, United Rubber, Cork, Linoleum and Plastic Workers of Am.

4. Address (Street and number, city, zone, and State): 425 E. Hector St., Conshohocken, Penna.

Telephone No.: TA 85608

5. Full Name of National or International Labor Organization of Which It Is an Affiliate or Constituent Unit (To be filled in when charge is filed by a labor organization)
United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO

6. DECLARATION

I declare that I have read the above charge and that the statements therein are true to the best of my knowledge and belief.

By Charles T. Hess Jr.
(Signature of representative or person filing charge)

7--3--63 (Date)

President (Title, if any)

WILLFULLY FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)

U.S. GOVERNMENT PRINTING OFFICE: 1960—O-640170

PD 606025

1841A-7

Form NLRB 501 (6-60)

Approved Budget Bureau No. 64-R001.11.

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD

CHARGE AGAINST EMPLOYER

FIRST AMENDED CHARGE

REC'D AUG 22 1963 A 1 R. & I. C.

INSTRUCTIONS: File an original and 4 copies of this charge with the NLRB regional director for the region in which the alleged unfair labor practice occurred or is occurring.

DO NOT WRITE IN THIS SPACE

Case No. 4-CA-3029

Date Filed 8/21/63

1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT

Name of Employer: Lee Rubber & Tire Corporation

Number of Workers Employed: 260

Address of Establishment (Street and number, city, zone, and State): Conshohocken, Pennsylvania

Type of Establishment (Factory, mine, wholesaler, etc.): Factory

Identify principal product or service: Tires and Rubber Products

The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8 (a), subsections (1) and (5) (List subsections) of the National Labor Relations Act, and these unfair labor practices are unfair labor practices affecting commerce within the meaning of the act.

2. Basis of the Charge (Be specific as to facts, names, addresses, plants involved, dates, places, etc.)

Since May 29, 1963, and continuing to this present date, the above-named company, from the inception of the date on which they reopened the contract, has bargained in bad faith in that the company has adamantly refused to make any concessions whatsoever to any of its original proposals.

Further, the company bargained in bad faith by insisting upon non-wage issues to the point of impasse, that is, they insisted upon superseniority for approximately 7 classifications.

The company further bargained in bad faith because at the outset of negotiations they took a firm position on 10 of their demands and still, at this time, maintain the same basic position, the only deviation being they dropped their demand for a substantial reduction in wages from 25¢ to 20¢.

Further, the employer unilaterally put into effect everyone of the contract proposals as he originally proposed them on the expiration of the collective bargaining agreement.

The employer further violated the Act by unilaterally abrogating the seniority right of the employees and, also, abrogating the grievance procedure by first unilaterally putting into effect a job evaluation program and, second, as to the grievance resulting from the implementation thereof, the company intends to be guided by the recommendations of an Independent Industrial Engineering firm, which, in effect, disregards and disposes of the arbitration procedure in respect to the job evaluation program, which was never discussed during negotiations.

3. Full Name of Party Filing Charge (if labor organization, give full name, including local name and number)

Local Union No. 227, United Rubber, Cork, Linoleum and Plastic Workers of America

4. Address (Street and number, city, zone, and State): 425 E. Hector Street, Conshohocken, Pennsylvania

Telephone No.: TA 5-5608

5. Full Name of National or International Labor Organization of Which It Is an Affiliate or Constituent Unit (To be filled in when charge is filed by a labor organization)

United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO

6. DECLARATION

I declare that I have read the above charge and that the statements therein are true to the best of my knowledge and belief.

By George B. Vashe Jr. Local Pres. 227
(Signature of representative or person filing charge)

August 20, 1963 (Date) — Assistant General Counsel (Title, if any)

WILLFULLY FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)

U.S. GOVERNMENT PRINTING OFFICE: 1960—O-581170

GPO 909825

97A

Charles T. Hess, Jr., President
James P. Ronnon, Vice President
Walter Tarbutton, Secretary
Harry Arena, Treasurer

1842A

LOCAL UNION No. 227

UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA

425 East Hector Street
Conshohocken, Pennsylvania

Telephone: TAylor 8-5608

Grievance No. 260

This grievance is being filed pursuant to Article II, Section Vi of the Agreement for Pension, Service Award and Insurance Benefits, and titled "Special Distribution and Discontinuance of Operations." We are asking that the Company pay a Special Distribution for all of our employees terminated as a result of the Discontinuance of Operations by the Lee National Corporation. This Special Distribution is further spelled out in the above Section VI.

Jan. 8, 1965

Complainant.

Charles T. Hess Jr. President

James P. Ronnon Vice President

Walter Tarbutton Secretary

Harry Arena Treasurer

GRIEVANCE No. 260 Dept. PLANT-Wide Shift ALL SHIFTS Date Grievance Turned In 1-2-65

I have taken the oral step of a grievance in accordance with the contract and have not received a satisfactory answer. I am filing a written grievance on the following problem:

1843A

SEE Attached Sheets FOR GRIEVANCE

When did this happen? 12-14-64 If this is a money claim, how much? YES

Signed, Complainant (s) Charles T. Hess Jr.
James P. Rimmer
Walter Tarbutton

Signed, Dept. Committeeman: Harry Chena

STEP I

Meeting requested with Mr. _____ on _____ by _____

SHIFT FOREMAN'S POSITION: _____

Signed, Shift Foreman _____ Date _____

FOR USE OF DEPARTMENT COMMITTEEMAN ONLY: Union (accepted _____) (rejected _____) the answer as stated above for the following reasons: _____

If the answer is rejected, do you hereby request the grievance be referred to next step? _____

Signed, Dept. Committeeman _____ Date _____

(To be filled out in Quadruplicate)

Form 2132—Rev. 8-61

(Over)

1844A

STEP II

CHIEF COMMITTEEMAN _____ (Name) requests meeting with Mr. _____

on _____ for the following reasons: _____

DEPT. MANAGER'S POSITION: _____

Signed, Dept. Manager _____ Date _____

FOR USE OF CHIEF COMMITTEEMAN ONLY: Union (accepted _____) (rejected _____) the answer as stated above for the following reasons: _____

If the answer is rejected, do you hereby request the grievance be referred to next step? _____

Signed, Chief Committeeman _____ Date _____

STEP III

Meeting requested with Personnel Department on 11/8/65 by Charles T. Hess Jr.

PERSONNEL DEPARTMENT'S POSITION AND REASONS: _____

Company Official's signature _____ Date _____

FOR USE OF CHAIRMAN OF UNION NEGOTIATING COMMITTEE: Union (accepts _____) (rejects _____) Company final answer for the following reasons: _____

If the Company answer is rejected, does the Union request arbitration? _____

Union Official's signature _____ Date _____

LATEST PROVISIONS -

June 4, 1963

1845A

SUBJECTS FOR NEGOTIATION PROPOSED BY LEE RUBBER & TIRE CORPORATION FOR CONSHOHOCKEN PLANT

ARTICLE I

Section 1:02. Page 8. This section shall be deleted and shall re-read as follows:

Section 1:04. Employees who undertake or endeavor to disturb the terms and relationship of this agreement by means other than as provided in this agreement, SHALL NOT BE RETAINED IN THE EMPLOY OF THE COMPANY AT THE OPTION OF THE COMPANY IF FOUND GUILTY BY THE COMPANY of such offense after careful investigation is conducted by officials of the Company and the Union.

Add New Section 1:02. AS USED HEREIN THE TERM "EMPLOYEE" REFERS TO AND INCLUDES ONLY THOSE HOURLY AND PIECE-WORK PRODUCTION AND MAINTENANCE EMPLOYEES OF THE COMPANY AT ITS CONSHOHOCKEN, PENNSYLVANIA PLANT, AND EXCLUDES EXECUTIVE EMPLOYEES, FACTORY CLERICAL WORKERS, LABORATORY EMPLOYEES, GENERAL OFFICE WORKERS, GUARDS, FOREMEN, ASSISTANT FOREMEN, SUPERVISORY EMPLOYEES WITH THE AUTHORIZATION TO HIRE, PROMOTE DISCIPLINE, DISCHARGE OR OTHERWISE EFFECT CHANGES IN THE STATUS OF EMPLOYEES OR EFFECTIVELY RECOMMEND SUCH ACTION. LOCAL 227 SHALL BE THE EXCLUSIVE REPRESENTATIVE OF ALL EMPLOYEES IN THE BARGAINING UNIT FOR THE PURPOSE OF COLLECTIVE BARGAINING IN RESPECT TO RATES OF PAY, WAGES, HOURS OF EMPLOYMENT OR OTHER CONDITIONS OF EMPLOYMENT. THE TERM "EMPLOYEE" SHALL MEAN A PERSON WHO IS ACTIVELY OR REGULARLY EMPLOYED BY THE COMPANY BY BEING ON ITS ACTIVE PAYROLL AND DRAWING REGULAR PAY AND SHALL NOT INCLUDE THOSE WHO ARE LAID-OFF AND WHO SHALL BE CARRIED ON THE LAID-OFF LIST ONLY FOR THE PURPOSE OF PRESERVING SUCH RIGHTS THAT THEY MAY HAVE UNDER THE SENIORITY PROVISIONS OF THIS AGREEMENT.

Add New Section 1:03. "LEARNER" SHALL BE EITHER A NEWLY HIRED EMPLOYEE OR AN EMPLOYEE STARTING ON A NEW JOB, IRRESPECTIVE OF DURATION OF EMPLOYMENT ON ANY OTHER JOB.

ARTICLE II

Section 2:03.1. Page 11. Delete Paragraph (a) on Page 12.

Section 2:03.5. Page 13. Delete entire section and substitute the following: "ANY EMPLOYEE WHO IS A DESIGNATED UNION REPRESENTATIVE SHALL BE COMPENSATED AT HIS AVERAGE HOURLY EARNINGS FOR TIME LOST DURING HIS REGULAR SHIFT BECAUSE OF ATTENDING SCHEDULED MEETINGS WITH MANAGEMENT REPRESENTATIVES FOR THE DISCUSSION OF EMPLOYEE PROBLEMS, AND/OR THE NEGOTIATION OF GRIEVANCES (INCLUDING ARBITRATION HEARINGS OR MEETINGS) BUT NOT FOR CONTRACT NEGOTIATIONS; PROVIDED, HOWEVER, THAT SUCH TOTAL LOST TIME PAYABLE BY THE COMPANY SHALL NOT EXCEED A TOTAL OF FIFTY (50) HOURS PER MONTH FOR ALL SUCH DESIGNATED UNION REPRESENTATIVES ATTENDING SUCH MEETINGS HEREIN PROVIDED LOCAL UNION REPRESENTATIVES WHO LOSE TIME FROM THEIR REGULAR SHIFT DUE TO ATTENDING MEETINGS CALLED BY MANAGEMENT FOR OTHER PURPOSES THAN THOSE ABOVE DESIGNATED SHALL BE COMPENSATED AS ABOVE FOR SUCH TIME LOST, HOWEVER, THESE PAYMENTS SHALL NOT BE CHARGED AGAINST THE FIFTY (50) HOUR MAXIMUM PROVIDED ABOVE

ARTICLE III

Section 3:02. Page 17. Substitute a comma for the period at end of page and insert: "AND SHALL MAKE ITS DECISION ONLY ACCORDING TO THE TERMS AND PROVISIONS OF THE AGREEMENT".

Cancelled 6.26.03

ARTICLE IV

Interruption of Work

Section 4.01

The Union agrees that it will not encourage, sanction or approve any strike, stoppage, slowdown or other interruption of work while this agreement is in force and affect. The Union further agrees that, in the event employees should engage in any activities which interfere with the Company's normal operations, it will, as soon as possible after being informed by the Company that such activities exist, take reasonable action to induce employees engaging in such activities to resume work in a normal manner. The Company agrees that there will be no lockout during the term of this agreement.

Section 4.01.1

It is UNDERSTOOD AND AGREED THAT THERE SHALL BE NO LIABILITY ON THE PART OF THE INTERNATIONAL UNION, THE LOCAL UNION OR ANY OF THEIR OFFICERS OR AGENTS BY REASON OF AN UNAUTHORIZED STRIKE, STOPPAGE, SLOW-DOWN OR OTHER INTERRUPTION OF WORK BY EMPLOYEES DURING THE LIFE OF THIS AGREEMENT. ANY EMPLOYEE WHO INSTIGATES, OR ENCOURAGES, OR PARTICIPATES IN A STRIKE, SLOW-DOWN, STOPPAGE OF WORK, OR OTHER INTERRUPTION OF PRODUCTION IN VIOLATION OF THIS AGREEMENT, OR WHO IS ABSENT FROM WORK FOR MORE THAN THREE (3) CONSECUTIVE WORKING DAYS WITHOUT PROPER NOTICE TO THE COMPANY AND OBTAINING PROPER LEAVE OF ABSENCE, OR MANAGEMENT'S PERMISSION FOR SUCH ABSENCE, OR WHO IS UNJUSTIFIABLY ABSENT FOR A TOTAL OF THREE (3) OR MORE DAYS WITHIN ANY PERIOD OF TEN (10) CONSECUTIVE WORKING DAYS, MAY BE DISCIPLINED BY DISCHARGE OR OTHERWISE BY THE COMPANY WITHOUT RECOURSE TO THE GRIEVANCE PROCEDURE. FAILURE OF THE COMPANY TO EXERCISE ITS RIGHTS TO ADMINISTER DISCIPLINE ON ONE OCCASION SHALL NOT IMPAIR OR CONSTITUTE A WAIVER OF THE COMPANY'S RIGHT TO ADMINISTER DISCIPLINE ON OTHER OCCASIONS.

which shall, however, apply only for the purpose of establishing the respective facts justifying discipline or discharge as above mentioned (i.e. 4.01)

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ction 4.01.1.2

If any of the acts prohibited by Sections 4.01 and 4.01.1 above occur during e term of this agreement, the parties shall not discuss nor negotiate, nor shall a ard of Arbitration or arbitrator hear or rule on any problem or grievance related such acts until such time as the prohibited acts are discontinued. ~~No~~ shall there be ~~any~~ negotiations or arbitration at any time ~~with~~ respect to any unsatisfied ~~claims~~ as set forth in sect 4.01.1

ARTICLE V

ction 5:02. Page 20. Change the next to the last sentence to read as follows: , However, extenuating circumstances show that the employee should have been nalized for some infraction of the rules or regulations, he may be reinstated with without back pay AT THE COMPANY'S OPTION. 6-22-63 Co. withdrew

ARTICLE VI

Co withdrew

number to
ction 6:01. Page 20. Add at end: "THIS IS NOT A GUARANTEE OF EIGHT (8) HOURS RK PER DAY OR FORTY (40) HOURS WORK PER WEEK."

Co. withdrew

ction 6:01.3. Page 20. Delete - (Duplicated by SECTION 7.01.1)

ARTICLE VII

ction 7.01.1. Pages 22 & 23. Revise to read as follows: Compensation at the rate one and one-half times the regular rate of pay shall be paid for all work in excess eight (8) hours in any twenty-four (24) hour period, or forty (40) hours in any GULARLY SCHEDULED work-week. In case of arrangements by the employee or his

Co withdrew proposal 6-22-63

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ection 7.01.1. Pages 22 & 23 (Continued)

epresentative for a temporary shift change, the daily overtime shall not apply if ccasioned by such changes. OVERTIME PAYMENT SHALL BE MADE ON A DAILY OR WEEKLY BASIS, HICHEVER IS HIGHER, BUT NOT ON BOTH.

ection 7.01.3 (1) DELETE: "IN 1961 ONLY NOVEMBER 24 IS SUBSTITUTED FOR DECEMBER 24."

ection 7.01.3 Page 23. Change the following:

(1) Change "EIGHT (8) HOLIDAYS" TO "SEVEN (7) HOLIDAYS."

LIMINATE "DECEMBER 24th" OR "EASTER MONDAY".

(6) Delete MOTHER-IN-LAW and FATHER-IN-LAW.

(7) Delete.

(8) (9) (10) - Renumber to (7) (8) (9).

(11) Revise to read as follows: "(10)

(12) Delete.

ARDINESS OR ABSENCE NOT TO EXCEED TWO (2) DAYS, DUE TO SEVERE WEATHER CONDITIONS OR Y OTHER REASONS THAT MAY BE JUSTIFIED IN THE COMPANY'S OPINION. IF THIS PRIVILEGE IS BUSED, PROPER STEPS WILL BE TAKEN TO CORRECT SAME.

Cancelled 6-24-63

ection 7:01.4. Page 25. Compensation at the rate of double time will be paid for l work performed during the twenty-four (24) hour period starting 7 A.M. on Sundays. his double time compensation shall not, however, apply to those first shift employees ose schedule calls for a starting time prior to 7 A.M. on Monday. EMPLOYEES WHO RK DURING THE ABOVE MENTIONED TWENTY-FOUR (24) HOUR PERIOD STARTING 7 A.M. ON SUNDAY EMERGENCY MAINTENANCE WORK OR THOSE EMPLOYEES ON OPERATIONS WHICH NORMALLY RUN SEVEN AYS PER WEEK (BOILER HOUSE, ETC.) SHALL BE PAID TIME AND ONE-HALF RATHER THAN DOUBLE ME FOR THIS PERIOD.

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ARTICLE VIII

Section 8:01. Page 26. Change last sentence to read as follows: The Unions will support Management's effort to improve production, establish efficient methods AND PIECE-WORK RATES RESULTING IN PROPER PRODUCTIVITY IN LINE WITH COMPETITION, eliminate waste, conserve material and supplies, and improve the quality of the workmanship. deleted (2-22-67) so as to enable the company to become competitive

Delete present 8:02 and substitute the following:

New

Section 8:02. Page 26. Individual piece-work and hourly rates shall be a proper subject for negotiation, EXCEPT THAT UNTIL THE ESTABLISHMENT OF INDIVIDUAL NEW PIECE-WORK AND HOURLY RATES AS A RESULT OF IMPLEMENTATION OF THE JOB EVALUATION PROGRAM PROVIDED IN ARTICLE 10, THE GENERAL WAGE SCALE PRESENTLY IN EFFECT SHALL BE CHANGED BY APPLYING A GENERAL 25% REDUCTION SO THAT THE FOLLOWING SHALL APPLY:

1. THE MINIMUM HIRING RATE SHALL BE ~~$1.15~~ $1.40 PER HOUR. AFTER THE FIRST THIRTY DAYS OF EMPLOYMENT, THE MINIMUM REDUCED PLANT RATE FOR THE ASSIGNED JOB CLASSIFICATION SHALL APPLY.

2. THE PLANT MINIMUM RATES ARE AT PRESENT $2.437 FOR MALE EMPLOYEES AND $2.237 FOR FEMALE EMPLOYEES. THESE PLANT MINIMUMS SHALL ALSO BE REDUCED BY 25% SO THAT SUCH NEW RATES SHALL BE $1.827 FOR MALE EMPLOYEES AND $1.677 FOR FEMALE EMPLOYEES.

3. PRESENT PIECE WORK RATES FOR PIECE WORK EMPLOYEES SHALL BE REDUCED BY 25%.

4. ALL RATES PRESENTLY KNOWN AS DAY WORK RATES AND ALLOWANCE RATES SHALL HEREAFTER ALL BE KNOWN AS HOURLY RATES AND ANY REFERENCE IN THE PRESENT WORKING AGREEMENT OR WAGE AGREEMENT TO ANY OF SUCH RATES SHALL BE REPLACED BY THE TERM HOURLY PAID RATES. THE WAGES NOW PREVAILING FOR EACH JOB CLASSIFICATION NOT ON AN INCENTIVE BASIS (AND WHICH AS AFOREMENTIONED SHALL HEREAFTER BE KNOWN AS HOURLY PAID RATES) SHALL ALSO BE REDUCED BY 25%.

5. ANY OTHER RATES PRESENTLY APPLICABLE SHALL ALSO BE REDUCED BY 25%.

ARTICLE VIII (CONTINUED)

Add New Section 8.02.1. JOB CLASSIFICATION EARNINGS SHALL BE:

FOR HOURLY PAID EMPLOYEES - THEIR NEW HOURLY PAY;

FOR PIECE-WORK EMPLOYEES - THEIR JOB CLASSIFICATION NEW AVERAGE EARNINGS.

(ALL AS SET FORTH IN THE ATTACHED APPENDIX C SHOWING THE VARIOUS JOB CLASSIFICATIONS AND THE RESPECTIVE NEW RATES APPLICABLE THERETO AS A RESULT OF THE ABOVEMENTIONED REDUCTION AND SIGNED BY THE DULY AUTHORIZED REPRESENTATIVES OF BOTH PARTIES, WHICH IS TO BE CONSIDERED AS PART OF THIS AGREEMENT.)

JOB CLASSIFICATION AVERAGE EARNINGS FOR ANY GIVEN JOB SHALL BE ARRIVED AT BY AVERAGING ALL THE STRAIGHT-TIME EARNINGS OF ALL EMPLOYEES IN A CERTAIN JOB CLASSIFICATION (BUT ELIMINATING LEARNERS) FOR THE LAST AVAILABLE PAY PERIOD.

AN EMPLOYEE'S AVERAGE EARNINGS SHALL MEAN THE STRAIGHT-TIME AVERAGE PIECE WORK EARNINGS FOR AN EMPLOYEE ON PIECE WORK OR THE REGULAR HOURLY PAY OF AN HOURLY PAID EMPLOYEE WHILE WORKING ON HIS REGULAR JOB DURING THE NEXT LAST PAY PERIOD.

OFF-STANDARDS PAYMENT RATE SHALL BE 90% OF THE RESPECTIVE JOB CLASSIFICATION AVERAGE EARNINGS.

Section 8:03. Page 26. Delete and replace as follows: "IF AN EMPLOYEE IS TEMPORARILY TRANSFERRED OR ASSIGNED TO WORK ON AN OPERATION (INCLUDING A GROUP OR POOL OPERATION) OTHER THAN HIS REGULAR JOB, WHEN THERE IS WORK AVAILABLE ON HIS REGULAR JOB, HE SHALL BE PAID THE RATE OF THE JOB TO WHICH ASSIGNED OR THE JOB CLASSIFICATION AVERAGE EARNINGS OF HIS REGULAR JOB, WHICHEVER IS HIGHER.

Section 8:03.1. Page 26. Delete.

ARTICLE VIII(CONTINUED)

SECTION 8:04. Page 26. Delete and replace as follows: "IF, FOR ANY REASONS, WORK IS NOT AVAILABLE ON AN EMPLOYEE'S REGULAR JOB AND HE IS TEMPORARILY ASSIGNED OTHER WORK, HE SHALL RECEIVE (a) 90% OF HIS AVERAGE EARNINGS ON HIS REGULAR JOB OR (b) 90% OF THE JOB CLASSIFICATION AVERAGE EARNINGS FOR THE JOB TO WHICH ASSIGNED, WHICHEVER IS HIGHER.

Section 8:06. Page 27. Revise entire paragraph to read as follows: "AN EMPLOYEE WHO HAS WORK AVAILABLE ON HIS REGULAR JOB AND WHO IS TEMPORARILY ASSIGNED TO AN OPERATION FOR WHICH NO PIECE-WORK RATE OR HOURLY RATE HAS BEEN ESTABLISHED, SHALL BE PAID ON THE BASIS OF HIS AVERAGE EARNINGS OF HIS REGULAR JOB.

DELETE AND SUBSTITUTE THE FOLLOWING:

Section 8:07. Page 27. PRIOR TO THE ESTABLISHMENT OF NEW FINAL RATES OR STANDARDS AS A RESULT OF THE JOB EVALUATION PROGRAM REFERRED TO IN ARTICLE 10 upon the introduction of any new item into production or the reestablishing of an operation that has been previously discontinued, or where it is necessary to change the method, machinery, tools, material, design or production conditions of an item and the elements or factors of time, material, mechanical devices or work performances are extensively rearranged, OR WHERE A REVISION IS NECESSARY TO CORRECT OUT OF LINE RATES IN ORDER TO INCREASE PRODUCTIVITY IN LINE WITH COMPETITION, THE PIECE-WORK RATE SHALL BE ARRIVED AT BY EITHER THE USE OF PRESENT TIME STUDY PRACTICES OR OTHER PROPER PRACTICES WHICH THE COMPANY MAY ADOPT FROM TIME TO TIME."

Section 8:07.1 Page 28. In cases where it is not possible to use the full time of a fully qualified hourly paid worker, he will receive 90% of the regular hourly rate of his classification, provided he satisfactorily performs the work that is assigned, OTHERWISE HE SHALL BE PAID THE PLANT MINIMUM RATE.

ARTICLE VIII (CONTINUED)

Section 8:07.1 CONTINUED However, if later it is possible to more fully use the time of the employee on a similar type of work, he shall perform the additional assignments and shall be paid HIS ORIGINAL PAY.

Section 8:08. Page 28. Add sentence at end to read as follows: "THE PROTEST OF NEW RATES SHALL NOT BE APPLICABLE IF THE RATES IN QUESTION ARE COMPARABLE WITH THOSE OF OTHER TIRE PLANTS FOR THE SAME JOB, UTILIZING SIMILAR EQUIPMENT AND PRODUCING UNDER SIMILAR CONDITIONS."

Section 8:09. Page 29. Delete entire paragraph and substitute the following: "DURING THE FIRST TEN (10) WORKING DAYS THAT A NEW OR REVISED PIECE-WORK RATE IS IN USE, EMPLOYEES SHALL BE GUARANTEED AN AMOUNT EQUIVALENT TO 85% OF THE JOB CLASSIFICATION ON AVERAGE EARNINGS. THIS GUARANTEE SHALL APPLY ONLY IF THE EMPLOYEES INVOLVED WORK AT FULL MAKE-OUT EFFORT, AND PRODUCTION DOES NOT SHOW AN UNJUSTIFIED DROP."

Section 8:12. Page 30. Delete entire section. Co moved 6-24-63 Co withdrew proposal 6-28-63 Remain.

Section 8:13. Page 30. Delete entire section and substitute the following:

8:12. WHEN EMPLOYEES ARE GIVEN AN ASSIGNMENT TO ASSIST IN DEVELOPMENT OF A PRODUCT OR A PRODUCTION PROCESS UNDER THE DIRECTION OF THE TECHNICAL DEPARTMENT, THEY SHALL BE PAID AT THE RATE OF THEIR JOB CLASSIFICATION AVERAGE EARNINGS.

Section 8:14. Page 30. Renumber to 8:13.

Section 8:15. Page 30. Delete entire section and substitute the following:

8:14 WHEN ANY EMPLOYEE LOSES TIME DUE TO ABNORMAL CONDITIONS AFFECTING A DEPARTMENT OR THE WHOLE PLANT INCLUDING BUT NOT LIMITED TO ACTS OF GOD, MAJOR BREAKDOWNS OF EQUIPMENT OR POWER, FIRES, OR OTHER CAUSES BEYOND THE COMPANY'S CONTROL, HE SHALL BE PAID ON THE BASIS OF THE PLANT MINIMUM RATE, FOR THE DELAY PERIOD OR UNTIL DISMISSED

ARTICLE VIII (CONTINUED)

OR ASSIGNED OTHER WORK. NO PAYMENT WILL BE MADE, HOWEVER, FOR LESS THAN 15 MINUTES WAITING TIME PER SHIFT.

IT IS UNDERSTOOD THAT THE AFFECTED EMPLOYEE OR EMPLOYEES SHALL NOTIFY SUPERVISION AS SOON AS POSSIBLE AFTER THE START OF THE DELAY FOR WHICH ALLOWANCE IS CLAIMED. DURING SUCH DELAY PERIOD FOR WHICH THE EMPLOYEE RECEIVES PAYMENT, HE SHALL BE AVAILABLE TO ASSIST IN CORRECTING THE DELAY.

NEW SECTION 8:14.1 When an experienced piece worker loses time due to power, interruption, electrical or mechanical breakdown, or waiting for stock WHICH AFFECTS HIS JOB he shall be paid 15% above the established PLANT MINIMUM RATE of the job for the delay period or until dismissed or assigned other work. No payment will be made, however, for less than 15 minutes waiting time per shift.

IT IS UNDERSTOOD THAT THE AFFECTED EMPLOYEE OR EMPLOYEES SHALL NOTIFY SUPERVISION AS SOON AS POSSIBLE AFTER THE START OF THE DELAY FOR WHICH ALLOWANCE IS CLAIMED. DURING SUCH DELAY PERIOD FOR WHICH THE EMPLOYEE RECEIVES PAYMENT, HE SHALL BE AVAILABLE TO ASSIST IN CORRECTING THE DELAY.

Section 8:15. Page 31. (New)

Add a new Section 8:15 as follows:

"WHEN THE PRODUCTIVE WORK OF AN EXPERIENCED PIECE WORK EMPLOYEE DECREASES WITHOUT PROPER CAUSE TO THE EQUIVALENT OF LESS THAN THE ESTABLISHED PLANT MINIMUM RATE, THE COMPANY SHALL PAY ONLY FOR ACTUAL PRODUCTION WORK PERFORMED UPON GIVING WRITTEN NOTICE TO THE EMPLOYEE AND THE DEPARTMENT COMMITTEEMAN, OR MAY REMOVE HIM FROM THE JOB IF SUCH SUB-STANDARD PERFORMANCE CONTINUES FOR A PERIOD OF MORE THAN THREE (3) DAYS."

ARTICLE VIII (CONTINUED)

Add a new Section 8.15.1 as follows:

"IN ANY INSTANCE WHERE THERE IS AN UNJUSTIFIABLE DECREASE IN THE PERFORMANCE OF ANY HOURLY PAID EMPLOYEE WORKING ON ANY OF THE GUARANTEES SET FORTH IN THIS ARTICLE, SUCH GUARANTEE MAY BE WITHDRAWN UPON GIVING WRITTEN NOTICE TO THE EMPLOYEE AND THE DEPARTMENT COMMITTEEMAN. IN SUCH CASES THE COMPANY SHALL PAY ONLY THE PLANT MINIMUM RATE. SHOULD SUCH SUB-STANDARD PERFORMANCE CONTINUE FOR MORE THAN THREE (3) DAYS, COMPANY MAY REMOVE SUCH EMPLOYEE FROM THE OPERATION."

Add a new Section 8.15.2 as follows:

IN ANY INSTANCE WHERE A LEARNER ON A PIECE-WORK JOB FAILS TO MAKE SATISFACTORY PROGRESS BY ACHIEVING DURING THE ESTABLISHED TRIAL PERIOD FOR THE RESPECTIVE JOB, OR ANY EXTENSION THEREOF MUTUALLY AGREED BY THE COMPANY AND THE UNION MINIMUM EARNINGS OF 80% OF THE JOB CLASSIFICATION AVERAGE EARNINGS, THE COMPANY SHALL BE ENTITLED TO WITHDRAW THE MINIMUM GUARANTEE AND PAY HIM ONLY ON THE BASIS OF PRODUCTION WORK PERFORMED OR REMOVE THE EMPLOYEE FROM THE OPERATION UPON GIVING WRITTEN NOTICE TO THE EMPLOYEE AND THE DEPARTMENT COMMITTEEMAN."

"IN ANY INSTANCE WHERE A LEARNER ON AN HOURLY PAID JOB FAILS TO MAKE SATISFACTORY PROGRESS WITHIN THE ESTABLISHED TRIAL PERIOD FOR THE RESPECTIVE JOB, ACCORDING TO COMPANY ESTABLISHED STANDARDS FOR SUCH JOB, THE COMPANY SHALL BE ENTITLED TO WITHDRAW THE MINIMUM GUARANTEE AND PAY HIM ON THE BASIS OF THE PLANT MINIMUM RATE OR REMOVE THE EMPLOYEE FROM THE OPERATION UPON GIVING WRITTEN NOTICE TO THE EMPLOYEE AND THE DEPARTMENT COMMITTEEMAN."

ARTICLE VIII (CONTINUED)

1856A

Section 8.16. Page 31. DELETE ENTIRE SECTION AND SUBSTITUTE THE FOLLOWING:

"WHEN AN EMPLOYEE IS INJURED ON THE JOB AND REQUIRES FIRST AID, HE SHALL BE PAID HIS JOB CLASSIFICATION AVERAGE EARNINGS FOR TIME LOST WHILE RECEIVING FIRST AID ON THE COMPANY PREMISES. "IF THE INJURED EMPLOYEE IS SENT HOME HE SHALL BE COMPENSATED AT HIS JOB CLASSIFICATION AVERAGE EARNINGS FOR THE PORTION OF THE SHIFT NOT ACUTALLY WORKED. "AN EMPLOYEE WHO BECOMES ILL ON THE JOB AND REQUIRES FIRST AID SHALL BE PAID FOR TIME LOST ON THE BASIS OF THE PLANT MINIMUM RATE WHILE RECEIVING FIRST AID ON THE COMPANY PREMISES.

Section 8.18. Page 31. Delete entire section and substitute the following:

"Any employee with at least thirty (30) days' Company service who is required to serve on a municipal, county or federal jury, or grand jury, shall be paid the difference between the amount paid for such service and his average job classification earnings for time lost from his scheduled shift by reason of such service, subject to the following provisions:

(a) Employees must notify their supervision within twenty-four (24) hours after receipt of notice of selection for jury duty.

(b) An employee called for jury duty who is temporarily excused from attendance at court must report for work if sufficient time remains after such excuse to permit him to report to the plant and work at least one-half (1/2) his normal work shift on the shift assigned to him for the duration of his

ARTICLE VIII (CONTINUED)

jury duty.

(c) An employee selected for jury duty who is on other than the first shift will be assigned to the first shift for those days he is scheduled but not required to serve as a juror.

(d) In order to be eligible for such make-up payments the employee must furnish a written statement from the appropriate public official showing the date and the time served and the amount of pay received.

All the provisions of Section 8.17 shall also apply to any employee required to appear as a subpoenaed witness.

Section 8.19. Page 32 Delete entire section and substitute the following:

"An employee with at least thirty (30) days' Company service who is absent from work to attend the funeral of his parent, brother, sister, child or spouse, shall be paid his average job classification earnings for the time lost from his regularly scheduled work shift by reason of such funeral during a period of not in excess of three (3) days at the time of such death, providing one of such days is the day of the funeral.

1858A

ARTICLE IX

Reporting for Work

Section 9.01. Page 34 Commencing on the 7th line from top eliminate words "at his established day and shift and substitute "on the basis of the" plant operation rule

Add New Section 9.01.1

Abnormal operating conditions shall include but not be limited to Acts of God, major breakdowns of equipment or power, fires or other causes beyond the Company's control substantially affecting the normal work of the plant or of a department. However, in cases when such interruption occurs before the reporting for work time, the Company shall make every effort which is reasonable under the circumstances to notify affected employees.

9.01.2

Employees may be notified not to report for work either before leaving the plant on their preceding shift, by telephone, telegram, certified mail, or visitation by Company representative prior to the time they customarily leave their home for reporting for work."

Section 9.03. Page 34. Delete entire present section and substitute:

Employees who decline the opportunity to work on alternate jobs temporarily assigned to them will not be eligible for reporting to work pay. Employees who are absent on the previous day will not be entitled to reporting for work pay, unless they have contacted the foreman and have definite instructions to report. Failure to keep the employment department properly informed of correct address and telephone number will void the employee's right to reporting for work pay.

June 14, 1963
2:30 P.M.

ARTICLE X

Job Evaluation Program

10.01 SINCE DURING THE WAR YEARS THE COMPANY ALLOWED ITS FORMER RATHER ADEQUATE JOB INCENTIVE AND PIECEWORK SYSTEM TO FALL INTO DISUSE DUE TO THE THEN PREVAILING CIRCUMSTANCES, AND DID NOT ATTEMPT IN THE POST-WAR PERIOD TO INSTITUTE A PROPER COMPENSATION SYSTEM BUT RATHER CONTINUED TO FUNCTION WITH THE ILLOGICAL, UNJUSTIFIED AND UNSATISFACTORY WAGE PATTERN WHICH HAD EVOLVED AS A RESULT OF THE WAR SITUATION, THE NECESSITY OF A GENERAL REVAMPING OF SUCH WAGE PATTERN IS HEREBY RECOGNIZED.

THEREFORE, IN ORDER TO ESTABLISH THE COMPANY ON A COMPETITIVE BASIS, A COMPREHENSIVE STUDY OF ALL PRESENT WAGE RATES, BOTH HOURLY AND PIECE WORK, IS NECESSARY SO THAT THE ENTIRE WAGE STRUCTURE WILL BE BASED ON PROPER SCIENTIFIC STUDIES IN ORDER TO ELIMINATE EXISTING INEQUITIES AND DISCREPANCIES AND TO ESTABLISH FOR ALL JOB CLASSIFICATIONS EARNINGS OR EXPECTED EARNINGS WHICH WOULD BE IN LINE WITH THOSE OF THE COMPANY'S COMPETITORS. CONSEQUENTLY IT IS AGREED THAT A PROGRAM FOR JOB EVALUATION AND RESTUDY OF PRESENT WAGE RATES (HEREIN REFERRED TO AS "JOB EVALUATION PROGRAM") SHALL BE INITIATED, COMPLETED AND MADE EFFECTIVE BY THE COMPANY AS SOON AS PRACTICABLE, AS SET FORTH IN THIS ARTICLE X.

10.02 DEFINITION OF RATES.

CLASSIFICATION OF NEW JOBS AND RECLASSIFICATION OF EXISTING JOBS AND ESTABLISHMENT OF RATES AND STANDARDS WITH RESPECT THERETO SHALL BE MADE IN ACCORDANCE WITH THE CONCLUSIONS ARRIVED AT AS A RESULT OF THE JOB EVALUATION PROGRAM. THE COMPANY SHALL RETAIN FOR SUCH PURPOSE A REPUTABLE, RECOGNIZED, INDEPENDENT INDUSTRIAL ENGINEER, SKILLED AND EXPERIENCED IN THIS TYPE OF WORK. ALL NEW RATES AND STANDARDS ESTABLISHED BY THE COMPANY AS A RESULT OF THIS WORK SHALL BECOME EFFECTIVE AS SOON AS POSTED, AND AT THE REQUEST OF THE UNION THE COMPANY SHALL MAKE AVAILABLE TO THE UNION OR ITS REPRESENTATIVES ALL THE DATA WHICH SERVED AS A BASIS FOR ESTABLISHING SUCH NEW RATES AND STANDARDS. IN CASE OF A DISPUTE OF ANY RATE OR STANDARD THE UNION SHALL HAVE THE OPPORTUNITY TO DISCUSS THE MATTER WITH SAID INDEPENDENT INDUSTRIAL ENGINEER AND FORMULATE ITS OBJECTIONS, BUT THE DECISION OF SAID INDEPENDENT INDUSTRIAL ENGINEER SHALL BE FINAL.

THEREFORE JOB EVALUATION SHALL NOT BE SUBJECT TO ARBITRATION UNDER THE TERMS OF THE WORKING AGREEMENT.

10.03 UNDER THE JOB EVALUATION PROGRAM THERE SHALL BE ESTABLISHED THE FOLLOWING RATES:

(1) BASE RATES FOR A JOB SHALL BE THE MINIMUM EVALUATED WORTH OF THE RESPECTIVE JOB CLASSIFICATION FOR AN HOUR OF WORK. at 3 mod. ?

(2) HOURLY RATES SHALL BE THE BASE RATE FOR HOURLY PAID EMPLOYEES PLUS AN ALLOWANCE IN ORDER TO MEET THE STANDARD APPLICABLE TO THE RESPECTIVE JOB.

(3) EXPECTED HOURLY EARNINGS FOR PIECE WORK EMPLOYEES SHALL BE DEFINED AS THE APPLICABLE BASE RATE FOR THE RESPECTIVE JOB PLUS A SPECIFIED PERCENTAGE OF SUCH BASE RATE. at 4 mod. ?

(4) STANDARDS SHALL BE ESTABLISHED BY THE COMPANY SO THAT THE AVERAGE EXPERIENCED OPERATOR WORKING AT AN INCENTIVE PACE CAN MAKE EARNINGS THAT WILL AVERAGE THE EXPECTED HOURLY EARNINGS (AS DEFINED IN 10.03 (3)).

(5) THE MINIMUM HIRING RATE AND THE DEFINITIONS OF OFF STANDARD RATES, JOB CLASSIFICATION AVERAGE EARNINGS, AND EMPLOYEES' AVERAGE EARNINGS SHALL BE THE SAME AS SPECIFIED IN ARTICLE 8.

10.04 THE NEW BASE RATES SHALL BE SUBJECT TO CHANGE UNDER THE FOLLOWING CONDITIONS ONLY:

(1) A GENERAL WAGE CHANGE, IN WHICH CASE ALL BASE AND HOURLY RATES ARE TO BE AFFECTED SIMILARLY.

(2) WHEN THE REQUIREMENTS AND THE CONTENT OF THE JOB MAY BE ALTERED TO THE EXTENT THAT THE EVALUATION FACTORS WOULD PLACE IT IN A DIFFERENT BASE LEVEL.

10.05 STANDARDS AND PIECE RATES ESTABLISHED FOLLOWING COMPLETION OF THE JOB EVALUATION PROGRAM WILL BE CHANGED ONLY UNDER THE FOLLOWING CONDITIONS:

(1) OBVIOUS CLERICAL ERRORS.

(2) TO UTILIZE IDLE TIME THAT IS BEING PAID FOR AT AN INCENTIVE PACE.

(3) WHEN THE REQUIREMENTS AND THE CONTENT OF THE JOB MAY BE ALTERED TO THE EXTENT THAT THE EVALUATION FACTORS WOULD PLACE IT IN A DIFFERENT BASE LEVEL.

c

(4) TO CORRECT RATES WHICH BASED ON ACTUAL EXPERIENCE MAY PROVE OUT OF LINE, SUCH NEW PIECE WORK RATES OR STANDARDS SHALL BE ARRIVED AT BY THE USE OF PROPER TIME STUDY PRACTICES THAT MAY BE ADOPTED BY THE COMPANY FROM TIME TO TIME, IN ORDER TO INCREASE PRODUCTIVITY IN LINE WITH COMPETITION.

CHANGES IN ESTABLISHED PIECEWORK RATES OR STANDARDS WILL BE MADE WITHIN ONE HUNDRED TWENTY (120) 90 (C-21-63) DAYS OF THE TIME OF THE CHANGE IN JOB CONTENT UNLESS OTHERWISE MUTUALLY AGREED. THIS TIME LIMIT SHALL NOT APPLY TO A JOB WHICH IS PLACE OFF STANDARD OR EXPERIMENTAL.

IT IS UNDERSTOOD THAT WHERE AN EMPLOYEE INCREASES HIS OUTPUT THROUGH HIS OWN SKILL AND EFFORT IT SHALL NOT BE INTERPRETED AS BEING A CHANGE IN JOB CONTENT UNDER THE PROVISIONS OF THIS SECTION. AN UNAUTHORIZED "SHORT CUT" SHALL NOT BE CONSIDERED AN INCREASE IN SKILL OR EFFORT AND EVERY OPERATION MUST BE PERFORMED ACCORDING TO THE STANDARD OPERATING PROCEDURE ESTABLISHED BY THE COMPANY.

(5) WHEN THE BASE RATE OF THE JOB MAY BE CHANGED IN ACCORDANCE WITH 10.04 ABOVE.

10.06 USE OF RATES.

(1) BASE RATE WILL BE GUARANTEED TO ALL PIECEWORK EMPLOYEES EXCEPT AS MAY BE PROVIDED IN THIS AGREEMENT (SEE ~~11~~). CONTINUED FAILURE OF ANY SUCH EMPLOYEE TO EARN BASE RATE UNDER NORMAL CONDITIONS SHALL BE JUST CAUSE OF HIS REMOVAL FROM AN OPERATION.

(2) ANY PIECE WORK EMPLOYEE WHO SHALL HAVE WAITING TIME SHALL RECEIVE BASE RATE OF HIS JOB CLASSIFICATION FOR TIME LOST, except as therein provided for under Art. X.

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(3) ANY PIECE WORK EMPLOYEE WHO SHALL BE DELAYED ON HIS OPERATION ECAUSE OF FAULTY EQUIPMENT OR USING FAULTY MATERIAL (WHICH DO NOT RESULT FROM THE CTIONS OF THE RESPECTIVE EMPLOYEE) SHALL RECEIVE 90% OF HIS JOB CLASSIFICATION AVERAGE ARNINGS FOR TIME LOST. IF SUCH CONDITION IS THE RESULT OF THE ACTION OF THE RESPECTIVE MPLOYEE HE SHALL BE PAID THE BASE RATE FOR HIS JOB. WHEN SUCH CONDITION EXISTS, THE MPLOYEE WILL NOTIFY HIS SUPERVISOR IMMEDIATELY AND A DETERMINATION SHALL BE MADE AS TO HETHER OR NOT A FAULTY CONDITION EXISTS, AND THE AMOUNT OF TIME THE EMPLOYEE IS LOSING HALL BE ESTIMATED AT THAT TIME BETWEEN THE EMPLOYEE AND THE SUPERVISOR.

IN CASE OF DISAGREEMENT OVER THE QUESTION OF FAULTY EQUIPMENT OR FAULTY TERIAL OR THE TIME LOST AND THE RESPONSIBILITY FOR SUCH CONDITION, THE UNION COMMITTEEMAN LL BE NOTOFIED IMMEDIATELY.

(4) WHEN AN EMPLOYEE IS ASSIGNED TEMPORARILY TO ANOTHER JOB WHOSE JOB ASSIFICATION AVERAGE EARNINGS ARE IN EXCESS OF THE JOB CLASSIFICATION AVERAGE EARNINGS HIS REGULAR JOB HE WILL RECEIVE SUCH NEW JOB CLASSIFICATION AVERAGE EARNINGS FOR THIS MPORARY JOB ONLY WHILE ON SUCH TEMPORARY JOB.

(5) EMPLOYEES TRANSFERRED BY THEIR REQUEST, JOB BID, OR BECAUSE OF ILURE TO QUALIFY ON ANY JOB TO WHICH ASSIGNED, WILL BE PAID THE HOURLY RATE OF THE JOB WHICH ASSIGNED IF AN HOURLY-RATED JOB.

(6) EMPLOYEES WORKING ON AN INCENTIVE OPERATION MAY BE ASSIGNED MPORARILY TO ANOTHER SUITABLE OPERATION WHILE WAITING ON MATERIAL OR BECAUSE OF EAKDOWN ON THEIR REGULAR JOB AND WILL BE PAID THEIR PIECEWORK EARNINGS ON THE JOB TO ICH ASSIGNED, 90% OF THE JOB CLASSIFICATION AVERAGE EARNINGS OF THE JOB TO WHICH ASSIGNED 90% OF THE JOB CLASSIFICATION AVERAGE EARNINGS OF THEIR REGULAR JOB, WHICHEVER IS HIGHER.

(7) EMPLOYEES WORKING ON NON-INCENTIVE OPERATIONS MAY BE ASSIGNED MPORARILY TO ANOTHER OPERATION WHILE WAITING ON MATERIAL OR BECAUSE OF BREAKDOWN ON THEIR ULAR JOB AND WILL BE PAID THEIR PIECEWORK EARNINGS OF THE JOB TO WHICH ASSIGNED, THE RLY RATE OF THE JOB TO WHICH ASSIGNED OR THE HOURLY RATE OF THEIR REGULAR JOB, CHEVER IS HIGHER.

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(8) IF FOR ANY REASON WORK IS NOT AVAILABLE ON EMPLOYEES' REGULAR JOBS FOR ALL OR PART OF THEIR REGULAR WORK DAY, THE COMPANY MAY ASSIGN ALTERNATE WORK TO SUCH EMPLOYEES AND THEY SHALL BE PAID

(a) IF ASSIGNED TO AN HOURLY JOB, THE HOURLY RATE OF SUCH JOB, OR

(b) IF ASSIGNED TO A PIECE WORK JOB, THEN THE ACTUAL PIECEWORK EARNINGS OF THE RESPECTIVE EMPLOYEE ON SUCH PIECE WORK JOB WITH A GUARANTEE EQUAL TO THE BASE RATE OF THE JOB TO WHICH ASSIGNED. SUCH EMPLOYEES SHALL BE GIVEN THE OPTION OF ACCEPTING SUCH ALTERNATE WORK OR GOING HOME, UNLESS SUCH ALTERNATE JOB IS OF SUCH NATURE AS TO BE DEEMED ABSOLUTELY NECESSARY TO MAINTAIN PRODUCTION BY THE COMPANY, IN WHICH CASE THE EMPLOYEE SHALL ACCEPT THE ASSIGNMENT; FAILURE TO DO SO SHALL NOT ENTITLE HIM TO ANY PAY IF GOING HOME.

(9) ALL EMPLOYEES WHO ARE ASSIGNED TO OTHER DEPARTMENTS BECAUSE OF THE APPLICATION OF SENIORITY, OR WHO AGREE TO TRANSFER AT THE COMPANY'S REQUEST, SHALL UPON RETURN TO THEIR OLD JOB CLASSIFICATION FOR ANY REASON, IF WITHIN SIX (6) MONTHS FROM THE DATE OF WRITTEN REQUEST TO RETURN, BE RE-ESTABLISHED AT THE JOB CLASSIFICATION AVERAGE HOURLY EARNINGS IN EFFECT FOR THE ORIGINAL JOB CLASSIFICATION BEFORE TRANSFER. THE "OLD JOB CLASSIFICATION" IS DEFINED TO MEAN THE CLASSIFICATION TO WHICH HE HAS FILED A WRITTEN REQUEST TO RETURN. IN CASE THE EMPLOYEE HAS MORE THAN ONE WRITTEN REQUEST TO RETURN ON FILE, THE OLDEST OR FIRST FILED SHALL APPLY FOR THE PURPOSE OF THIS PARAGRAPH.

(10) WHEN EMPLOYEES BID FOR AND RECEIVE, OR EMPLOYEES ARE TRANSFERRED DUE TO THE ELIMINATION OF THEIR JOB OR CURTAILMENT OF PRODUCTION, TO AN INCENTIVE POOL OPERATION WHERE THERE IS NO PIECEWORK RATE IN EFFECT AT THE TIME OF TRANSFER, SUCH EMPLOYEE SHALL BE PAID 90% OF JOB CLASSIFICATION AVERAGE EARNINGS OF THE JOB TO WHICH ASSIGNED, UNTIL PIECEWORK RATES ARE ESTABLISHED.

WHEN THERE IS NO PIECEWORK RATE IN EFFECT IN AN INCENTIVE OPERATION JOB THE SUPERVISOR OF THE DEPARTMENT SHALL ESTABLISH A TEMPORARY ESTIMATED PRODUCTION LEVEL AND BASE RATE AFTER PROPER CONSULTATION WITH THE INDUSTRIAL ENGINEERING DEPARTMENT. LEARNERS ON SUCH JOB THROUGH HIRE, BID OR TRANSFER SHALL RECEIVE 90% OF THE JOB CLASSIFICATION AVERAGE EARNINGS ON THOSE DAYS THAT THEY EXCEED THIS LEVEL. AT ALL OTHER TIMES THEY WILL RECEIVE NO MORE THAN THE BASE RATE OF THE JOB.

(1) IN ANY INSTANCE WHERE THERE IS AN UNJUSTIFIABLE DECREASE IN THE PERFORMANCE OF AN EMPLOYEE WORKING ON ANY OF THE GUARANTEES SET FORTH IN THIS ARTICLE, SUCH GUARANTEE MAY BE WITHDRAWN UPON GIVING WRITTEN NOTICE TO THE EMPLOYEE AND THE DEPARTMENT COMMITTEEMAN OF THE LOCAL UNION, OR HIS APPOINTED REPRESENTATIVE.

IN REGARD TO REMOVAL OF BASE RATE OF AN EMPLOYEE ON AN INCENTIVE OPERATION, SUCH REMOVAL SHALL BE ONLY FOR A PERIOD OF TWO WEEKS. AT THE EXPIRATION OF THE TWO-WEEK PERIOD, IF THE EMPLOYEE DOES NOT EITHER

(a) INCREASE HIS EARNINGS TO ABOVE BASE RATE, OR

(b) SHOW JUST CAUSE WHY THE BASE RATE SHOULD NOT HAVE BEEN REMOVED, HE MAY BE REMOVED FROM THE OPERATION OR OTHERWISE HIS BASE RATE MAY BE RE-ESTABLISHED.

10.07 WHENEVER AN INEXPERIENCED EMPLOYEE IS ADDED TO GROUP OPERATIONS AND THEREBY PREVENTS THE EXPERIENCED EMPLOYEES FROM MAKING THEIR JOB CLASSIFICATION AVERAGE EARNINGS, THE EXPERIENCED EMPLOYEES WILL BE GUARANTEED THEIR JOB CLASSIFICATION AVERAGE EARNINGS FOR SUCH PERIOD OF TIME AS MAY REASONABLY BE REQUIRED FOR INEXPERIENCED EMPLOYEES TO ATTAIN NORMAL PRODUCTION. SUCH GUARANTEE SHALL CEASE TO APPLY AS SOON AS THE INEXPERIENCED EMPLOYEE ATTAINS NORMAL PRODUCTION.

10.08 EMPLOYEES WHO ARE TRANSFERRED DUE TO THE ELIMINATION OF THEIR JOB, BY THEIR REQUEST, TRANSFERRED DUE TO THE APPLICATION OF SENIORITY, BY JOB BID, AT THE COMPANY'S REQUEST, FAILURE TO QUALIFY, OR EMPLOYEES RECALLED TO AN INCENTIVE JOB WHERE THERE IS A PIECEWORK RATE IN EFFECT WILL BE PAID AS FOLLOWS:

(1) ONE WEEK AT THE RESPECTIVE BASE RATE, THEREAFTER 90% OF THE JOB CLASSIFICATION AVERAGE EARNINGS FOR THE JOB TO WHICH TRANSFERRED.

(2) WHEN AN EMPLOYEE EXCEEDS THE RESPECTIVE BASE RATE IN THE SAID ONE WEEK PERIOD AS DESCRIBED ABOVE, HE SHALL BE ENTITLED TO SUCH HIGHER EARNINGS.

THE ABOVE CONDITIONS DO NOT COVER TEMPORARY TRANSFERS.

0.09 ALL OF THE PROVISIONS OF ARTICLE X SHALL BECOME APPLICABLE TO EACH JOB HICH HAS BEEN RECLASSIFIED AND/OR WHOSE RATE HAS BEEN ADJUSTED AS A RESULT OF THE MPLEMENTATION FROM TIME TO TIME OF THE JOB EVALUATION PROGRAM AND UNTIL SUCH TIME THE ROVISIONS OF ARTICLE VIII SHALL APPLY TO THAT JOB. ALL OTHER PROVISIONS OF ARTICLE VIII HICH ARE NOT SUPERCEDED BY PROVISIONS OF ARTICLE X SHALL CONTINUE IN FULL FORCE AND FFECT. WHEREVER THE PROVISIONS OF ARTICLE VIII OR OF ANY OTHER ARTICLE OF THIS GREEMENT SHALL BE INCONSISTENT WITH THE APPLICABLE PROVISIONS OF ARTICLE X, AS THE JOB VALUATION PROGRAM IS PUT INTO EFFECT FROM TIME TO TIME AND FROM JOB TO JOB, THE NECESSARY EVISIONS AND/OR CLARIFICATIONS SHALL BE MADE IN ORDER TO ELIMINATE ANY SUCH NCONSISTENCIES OR CONTRADICTIONS THAT MAY DEVELOP, AND SUCH REVISIONS AND/OR LARIFICATIONS SHALL CONFORM TO THE INTENT EXPRESSED IN THE PROVISIONS OF ARTICLE X.

ARTICLE 11

(Formerly Article 10)

Vacations

ection 11.01 Delete and substitute the following:

SUBJECT TO THE VARIOUS PROVISIONS OF THIS ARTICLE 11, one weeks's vacation ith pay shall be granted to each employee who has been in the service of the Company for ne year; two weeks' vacation with pay shall be granted to each employee who has been in he service of the Company for three (3) years; three weeks' vacation with pay shall be ranted to each employee who has been in the service of the Company for ~~ELEVEN~~ 10 (11) years; nd four weeks' vacation with pay shall be granted to each employee who has been in the ervice of the Company for ~~TWENTY-FIVE~~ 22 (25) years or more.

ection 11.01.1

DELETE ENTIRE SECTION 10.01.1

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Section 11.02 DELETE ENTIRE SECTION AND REPLACE IT BY THE FOLLOWING:

VACATION PAY FOR EACH WEEK OF VACATION SHALL BE 2% OF THE EMPLOYEES STRAIGHT TIME EARNINGS FOR THE PRECEDING VACATION YEAR.

Section 11.03 DELETE AND SUBSTITUTE THE FOLLOWING:

THE VACATION YEAR SHALL MEAN THE TWELVE (12) MONTH PERIOD BETWEEN OCTOBER 1ST OF EACH YEAR AND SEPTEMBER 30TH OF THE NEXT YEAR, DURING WHICH PERIOD EMPLOYEES SHALL TAKE THEIR VACATION (EXCEPT AS PROVIDED BELOW FOR THE FIRST VACATION YEAR STARTING OCTOBER 1, 1963) AND THE VACATION PAY SHALL BE COMPUTED AS PROVIDED IN THIS AGREEMENT ON THE BASIS OF THE EMPLOYEE'S STRAIGHT TIME EARNINGS FOR THE PREVIOUS YEAR STARTING OCTOBER 1ST AND ENDING SEPTEMBER 30TH.

IN ORDER TO PROVIDE A VACATION WE.. FOR THE GREATEST NUMBER OF EMPLOYEES DURING THE SUMMER MONTHS, THE PLANT WILL BE CLOSED FOR THE WEEK DURING WHICH JULY 4TH OCCURS.

THE PLANT WILL ALSO BE CLOSED FOR THE WEEKS STARTING DECEMBER 23, 1963 AND DECEMBER 28, 1964.

ALL EMPLOYEES SHALL USE THE VACATION TIME TO WHICH THEY ARE ENTITLED FOR THE VACATION YEAR JANUARY 1, 1963 TO DECEMBER 31, 1963 PRIOR TO DECEMBER 31, 1963, AND ALL VACATIONS CHARGEABLE AGAINST THE VACATION YEAR STARTING OCTOBER 1, 1963 SHALL BE TAKEN ONLY BETWEEN JANUARY 1, 1964 AND SEPTEMBER 30, 1964.

THE ABOVE TWO SHUT-DOWN WEEKS SHALL BE CONSIDERED AS VOLUNTARY VACATION PERIODS AND ALL ELIGIBLE EMPLOYEES MUST TAKE ONE WEEK OF THEIR VACATION DURING EACH OF THESE TWO SHUT-DOWN WEEKS EXCEPT AS FOLLOWS:

(a) Any employees whose services are required for necessary receiving, shipping, maintenance, or emergency work.

(b) Any laid-off employee with seniority who is recalled after the designated JULY vacation shut-down week.

(c) Any of the above employees brought in to work during a vacation shut-down week, who are eligible for vacation time off at that time, will be scheduled for not less than forty (40) hours on their own job, if such work is available otherwise on any work available in the plant. Any exceptions to the above shall be only by mutual agreement.

Section 11.03.1

Except as provided in Section 11.03 (b) above, no vacation pay will be authorized by the Company unless a vacation is taken by the employee, or unless mutually agreed to between the Company and the Union.

Section 11.03.2 DELETE AND SUBSTITUTE THE FOLLOWING:

~~IN THE EVENT AN EXTREME EMERGENCY SHOULD ARISE AND~~ THE COMPANY SHOULD DEEM IT IMPRACTICAL TO SHUT DOWN FOR EITHER WEEK, AS PROVIDED IN SECTION 11.03, due to required business needs EMPLOYEES SHALL BE SUBJECT TO ANY REVISED VACATION ~~PROGRAM~~ Schedule AT ANY OTHER REASONABLE TIME AS THE BUSINESS OF THE COMPANY MAY REQUIRE. Would give reasonable notice.

Section 11.04

Except as provided in Section 11.03, vacations will be scheduled between OCTOBER 1ST AND SEPTEMBER 30. Employees with the longest seniority shall be given first preference in scheduling vacations, which shall be arranged in such a manner as to best insure the orderly and efficient operation of the plant. When vacation schedules are being arranged all vacation slips must be returned within ten (10) days of receipt by the employee.

ection 11.05

Upon completion of one, three, ELEVEN, or TWENTY-FIVE years' service, mployees shall become eligible for vacation provileges for the current year.

IN ORDER TO BE ENTITLED TO VACATION, AN EMPLOYEE MUST HAVE BEEN ACTIVELY MPLOYED AND HAVE DRAWN PAY FOR AT LEAST TWENTY-SIX (26) FULL WEEKS DURING THE PRECEDING ACATION YEAR AND HAVE WORKED IN THE CURRENT VACATION YEAR OR MUST BE ON SCHEDULED VACATION S OF THE DATE THE CURRENT VACATION YEAR COMMENCES.

ection 11.06 RENUMBER 10.06 to 11.06

ection 11.07 RENUMBER 10.07 to 11.07

ection 11.08 DELETE AND SUBSTITUTE THE FOLLOWING:

EMPLOYEES WHOSE SERVICES ARE TERMINATED FOR REASONS OTHER THAN ISCHARGE FOR CAUSE, INCLUDING DEATH, AND WHO WOULD OTHERWISE HAVE BEEN ENTITLED TO A ACATION DURING THE CURRENT VACATION YEAR, SHALL BE GRANTED A PRO-RATA VACATION PAY BASED N THE NUMBER OF MONTHS WORKED SINCE DATE OF LAST ANNIVERSARY OF EMPLOYMENT. PART OF A ONTH WORKED SHALL BE CONSIDERED A FULL MONTH WORKED.

ection 11.09 DELETE ENTIRE SECTION (OLD 10.09)

ARTICLE 12

(Formerly Article 11)

Holiday Pay Provisions

ection 12.01

DELETE "THE DAY BEFORE CHRISTMAS" OR "EASTER MONDAY"

DELETE FOOTNOTE AT BOTTOM OF PAGE 38.

DELETE BALANCE OF 12.01 ON PAGE 39 AND SUBSTITUTE THE FOLLOWING:

ND WILL PAY AT STRAIGHT TIME TO EACH EMPLOYEE WHO DOES NOT PERFORM WORK FOR THE COMPANY
N SUCH HOLIDAYS AN AMOUNT EQUIVALENT TO THE NUMBER OF HOURS IN THE EMPLOYEE'S STANDARD
AILY WORK SHIFT FOR THE WEEK IN WHICH THE HOLIDAY OCCURS, MULTIPLIED BY HIS STRAIGHT TIME
VERAGE EARNINGS FOR THE WEEK IN WHICH THE HOLIDAY OCCURS, SUBJECT TO THE FOLLOWING
EQUIREMENTS AND CONDITIONS:

ection 12.01.1

To be eligible for such holiday pay the employee must work his last
egularly scheduled shift prior to and his first regularly scheduled shift after the
oliday, except as specified hereafter:

If an employee works only one of the two above-named shifts and is
bsent on the other qualifying shift because of:

1. A disabling injury;
2. Proven unavoidable illness of 3 or more working days duration;
3. AUTHORIZED LEAVE OF ABSENCE DUE TO SICKNESS OR INJURY;
4. Regularly scheduled vacation;
5. Lay-off within THREE (3) calendar days prior to holiday or
(days)
call with THREE (3) calendar days following holiday;

shall be entitled to pay for the unworked holiday providing all other conditions of this
reement are complied with.

ction 12.01.2

An employee absent on his last regularly scheduled shift prior to or
s first regularly scheduled shift after the holiday on account of attending a funeral,
all be entitled to holiday pay providing the absence does not exceed THREE (3) DAYS and
oviding all other provisions of this section are complied with.

ction 12.01.3 RENUMBER 11.01.3 to SECTION 12.01.3

ction 12.01.4 RENUMBER SECTION 11.01.4 TO SECTION 12.01.4

ction 12.01.5 RENUMBER 11.01.5 to SECTION 12.01.5

ction 12.01.6 RENUMBER 11.01.6 TO SECTION 12.01.6

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ection 12.01.7 RENUMBER 11.01.7 TO SECTION 12.01.7

ection 12.01.8 RENUMBER 11.01.8 TO SECTION 12.01.8

ection 12.01.9 DELETE AND SUBSTITUTE THE FOLLOWING:

EXCEPT AS PROVIDED IN SECTION 12.01.10 COMPENSATION AT THE RATE OF UBLE THE STRAIGHT TIME RATE WILL BE PAID FOR ALL WORK PERFORMED DURING THE TWENTY-FOUR 24) HOUR PERIOD STARTING 7 A.M. ON THE ABOVE NAMED SEVEN (7) HOLIDAYS IN ADDITION TO HE STRAIGHT TIME PAY PROVIDED FOR EMPLOYEES WHO QUALIFY UNDER THE ABOVE PROVISIONS OF HIS ARTICLE.

ection 12.01.10 INSERT THE FOLLOWING SECTION:

WORK PERFORMED ON ANY OF THE SEVEN (7) RECOGNIZED HOLIDAYS BY MPLOYEES ON A STAGGERED SCHEDULE BASIS DUE TO "SEVEN-DAY OPERATION" SUCH AS POWER HOUSE, ERGENCY MAINTENANCE OPERATION, ETC., SHALL BE PAID FOR AT SINGLE STRAIGHT TIME IN DITION TO ANY HOLIDAY PAY FOR WHICH SUCH EMPLOYEES MAY QUALIFY UNDER THIS ARTICLE.

ARTICLE 13 (Formerly Article 12)

Seniority

Section 13.01 Delete and substitute the following:

DURING THE TERM OF THIS AGREEMENT THE SENIORITY OF AN EMPLOYEE SHALL BE HIS CONTINUOUS SERVICE WITH THE COMPANY, FROM HIS LAST HIRING DATE TO THE DATE OF HIS TERMINATION OF EMPLOYMENT OR TERMINATION OF THIS AGREEMENT, OR ANY EXTENSION THEREOF, WHICHEVER IS EARLIER, EXCEPT AS HEREINAFTER PROVIDED. THE RIGHTS TO WHICH AN EMPLOYEE IS ENTITLED AS A RESULT OF SENIORITY, IN CONNECTION WITH THE PROVISIONS OF THIS AGREEMENT, ESPECIALLY ARTICLES 13, 14, and 15, SHALL APPLY PROVIDED THE EMPLOYEE SHALL HAVE THE ABILITY AND PHYSICAL QUALIFICATIONS TO PERFORM THE JOB SATISFACTORILY WITHIN A REASONABLE BREAKING IN PERIOD AS SPECIFIED IN APPENDIX _____. TO DO SUCH WORK SATISFACTORILY SHALL MEAN THAT THE RESPECTIVE EMPLOYEE MUST MEET WITHIN SUCH breaking in PERIOD OR ANY EXTENSION THEREOF THAT THE COMPANY AND THE UNION MAY MUTUALLY AGREE UPON, A THE COMPANY'S STANDARDS FOR THE JOB IF IT IS AN HOURLY PAID ONE, B OR IF IT IS A PIECE WORK JOB, SUCH EMPLOYEE MUST EARN 80% OF THE JOB CLASSIFICATION AVERAGE EARNINGS OR SUCH LESSER PERCENTAGE AS THE COMPANY MAY ELECT FROM TIME TO TIME TO APPLY TO THE PARTICULAR EMPLOYEE IN IT'S SOLE DISCRETION.

AN EMPLOYEE'S SENIORITY, AS DEFINED HEREIN, SHALL ENTITLE HIM UNDER SPECIFIED CONDITIONS TO PRIORITY ON TRANSFERS, LAY OFF AND RECALL AS HEREIN PROVIDED.

A the Company shall train the job

Section 13.03.1

WITH RESPECT TO THE ABOVE MENTIONED KEY JOBS, ALL PROVISIONS OF ARTICLE 13, id. and 15 SHALL NOT APPLY IN CONNECTION WITH TRANSFERS, RECALLS AND LAY-OFFS, OR WHEN, AS A RESULT OF THE APPLICATION OF SUCH PROVISIONS EMPLOYEES IN SAID KEY JOBS WOULD BECOME SUBJECT TO BUMPING.

MANAGEMENT SHALL HAVE THE RIGHT TO FILL SUCH KEY JOBS ON THE BASIS OF REQUIRED SKILL, EXPERIENCE AND PHYSICAL ABILITY FOR THE RESPECTIVE JOBS BUT SHALL GIVE CONSIDERATION TO SENIORITY ONLY WHEN, IN ITS OPINION, SUCH SKILL, EXPERIENCE AND PHYSICAL ABILITY TO PERFORM THE JOB EFFICIENTLY IS EQUAL.

Section 13.04

SENIORITY SHALL BE BROKEN BY ANY OF THE FOLLOWING CAUSES:

(a) VOLUNTARY SEPARATION,

(b) DISCHARGE FOR JUST CAUSE.

(c) ABSENCE EXCEEDING THE PERIOD FOR WHICH LEAVE OF ABSENCE IS GRANTED.

(d) ABSENCE FROM WORK FOR MORE THAN THREE (3) CONSECUTIVE WORKING DAYS, WITHOUT PROPER NOTICE TO THE COMPANY, AND WITHOUT OBTAINING PROPER LEAVE OF ABSENCE BY MANAGEMENT'S PERMISSION FOR ANY SUCH ABSENCE.

(e) UNJUSTIFIABLE ABSENCE FOR A TOTAL OF THREE (3) OR MORE DAYS WITHIN ANY PERIOD OF TEN (10) CONSECUTIVE WORKING DAYS;

(f) TERMINATION OF AN EMPLOYEE'S EMPLOYMENT FOLLOWING A LAY-OFF OF AT LEAST SIX (6) MONTHS BECAUSE, IN THE OPINION OF MANAGEMENT, THERE WOULD BE NO FURTHER NEED FOR EMPLOYMENT OF SUCH LAID OFF EMPLOYEE IN CONNECTION WITH THE PLANS OF MANAGEMENT FOR THE FORESEEABLE FUTURE. Should however any such terminated employee be rehired by the Company, he shall reacquire the seniority status he had at the time of his termination.

(g) ABSENCE EXCEEDING THE PERIOD FOR WHICH STATUTORY COMPENSATION BECOMES PAYABLE BECAUSE OF COMPENSABLE ILLNESS OR INJURY,

(h) ABSENCE ON ACCOUNT OF NON-COMPENSABLE INJURY OR ILLNESS FOR A PERIOD OF SIX (6) MONTHS FOR AN EMPLOYEE WITH LESS THAN FIVE (5) YEARS OF CONTINUOUS SERVICE OR FOR A PERIOD OF ONE (1) YEAR FOR AN EMPLOYEE WITH FIVE (5) OR MORE YEARS OF CONTINUOUS SERVICE, OR

(i) FAILURE TO COMPLY WITH THE RECALL PROVISIONS OF THIS AGREEMENT.

Section 13.05 (delete and substitute the following)

FOR THE PURPOSE OF ADMINISTERING THE SENIORITY PROVISIONS OF THIS AGREEMENT IN CONNECTION WITH LAY-OFFS, RECALLS AND THE FILLING OF VACANCIES, MALE AND FEMALE EMPLOYEES WILL BE CONSIDERED AS TWO SEPARATE UNITS.

Section 13.06 (Renumber 12.06 to Section 13.06)

Section 13.07 (Renumber 12.07 to Section 13.07)

Section 13.08

FOR THE PURPOSE OF ADMINISTERING THE PROVISIONS OF ARTICLE 14 OF THIS AGREEMENT, DEPARTMENTAL, DIVISIONAL AND PLANT-WIDE SENIORITY SHALL PREVAIL IN THAT ORDER. Departmental lists of seniority shall be provided by the Company and shall be posted on the bulletin board in each department and a master seniority list shall be maintained by the Company and shall be kept up to date at all times during the life of this agreement.

Section 13.09 (Delete 12.09 and substitute the following)

IF AN EMPLOYEE ACCEPTS, OR HAS ACCEPTED, A POSITION WITH THE COMPANY WHICH MAKES HIM INELIGIBLE FOR UNION MEMBERSHIP,

Section 13.02 Present Employees

THE SENIORITY OF PRESENT EMPLOYEES SHALL DEPEND UPON THE LENGTH OF THEIR CONTINUOUS SERVICE AS PREVIOUSLY AGREED UPON BETWEEN THE COMPANY AND THE UNION AND REFLECTED IN THE RECORD OF CONTINUOUS SERVICE NOW ON FILE IN THE EMPLOYMENT DEPARTMENT OF THE COMPANY.

Time actually spent on the active payroll, plus properly approved absences, shall be counted as continuous service in determining seniority rights for the purpose of vacation eligibility, job placement, lay-offs and recalls. Employees on leave of absence will not accumulate seniority while on leave if they have less than twelve (12) months' active service at the time the leave of absence is granted.

Section 13.03

DELETE ENTIRE SECTION AND SUBSTITUTE THE FOLLOWING:

LIST OF KEY JOBS

Dept. 25

Inspection - Tires
Tire Builder

Dept. 20

Calender Operator
Tuber Operator
Banbury Operator
Dipper Operator

Dept. 22 & Dept. 26

Bias Machine Operator

Dept. 23

Bead Builder

Dept. 29

Buff & Classify "A"

not Garden

Maintenance Division

All Maintenance Division Jobs
Except Unskilled Jobs in Dept. 7.

Legislation Agreed as amended L-2743

HE SHALL, UPON TERMINATION OF SUCH TRANSFER, ~~AUTOMATICALLY~~ RESUME HIS REGULAR ~~PLACE ON THE SENIORITY LIST. HE SHALL~~ RETURN TO THE DEPARTMENT FROM WHICH HE WAS TRANSFERRED AND REPLACE THE YOUNGEST EMPLOYEE ~~IN THAT DEPARTMENT. IF HIS DEPARTMENT HAS BEEN ELIMINATED, HE THEN SHALL REPLACE THE~~ YOUNGEST EMPLOYEE IN THE PLANT, providing he B.C. has more seniority. providing he has more seniority. ~~At~~ may be given consideration by management ~~discretion~~ upon return he shall be given the consent of seniority list at time of leaving the B.C.

ARTICLE 14 (formerly Article 13)

Filling of Jobs

Section	Page	
14.02	46	We propose a review of this entire Job Filling section for possible simplification, clarification or possible prevention of grievances.
14.05	48	Add at end of last sentence - "and providing further that no qualified employee has previously requested a return on a permanent basis to the job he formerly held."
14.10	50	Change 90 days to six (6) months.

ARTICLE 15 (Formerly Article 14)

Reduction in Work Force

Article 15	51	Review entire Article to provide an improved set of procedures in connection with: Lay-Off; Application of Divisional and Departmental Seniority; Maximum Percent of Learners Permitted in Any One Job Classification, etc.
15.03	54	After word "qualify", add "In the Company's opinion"; after words "reasonable time", add "which shall be established by the Company". Add new sentence at end of paragraph as follows: "Qualification for a job shall mean that the respective employee shall, within the established break-in period, meet the Company's standards for the job, if it is an hourly paid one, or,

if it is a piece work job, earn 80% of the Job Classification average earnings or such lesser percentage as the Company may elect to apply to the particular employee at it's sole discretion."

ARTICLE 16 (formerly Article 15)

Leave of Absence

Section	Page	
16.03	55	Change 4th line from: "....., upon presentation of satisfactory reasons ....." to "....., upon presentation of reasons which, in the opinion of the Company, are satisfactory ....."

ARTICLE 17 (formerly Article 16)

Production Trainees

17.04	57	Eliminate words "or laid-off".

ARTICLE 18 (formerly Article 17)

General Rules

18.03.1	58	Insert "including discharge", after the words "disciplinary action."
18.06.1	59	Insert "upon request" at the beginning of sentence.
18.06.2	59	Delete entire section and substitute the following: "The Union Safety Committee Chairman and the Company's Safety Director shall meet once monthly, at which time they may tour the plant to verify that adopted safety recommendations have been complied with. Reports on conditions will be submitted to management and if conditions are found unsatisfactory as a result of such inspection, the Company shall take the necessary steps to correct such conditions.

The Union Safety Committee Chairman shall be paid by the Company for any time lost from his regular shift by reason of attending the regular scheduled monthly safety meeting and/or plant tour as described above.

Loss of time for the Union Safety Committee Chairman resulting from other requests made by the Union Safety Committee for safety meetings, in addition to the regularly scheduled monthly meeting justified by the urgency of a situation, or emergency investigations, shall be paid for under the first sentence of Section 2.03.5.

If an employee accompanies the Union Safety Chairman in any safety meeting he shall have no voice in the discussion and shall not be entitled to any pay for lost time as a result of his attendance."

ection	Page	
8.12	61	Delete entire section and substitute the following:

"The prevailing practice covering setting piece-work rates provides adequate allowance for lunch and other personal time and will be continued. Hourly workersshall be allowed an unpaid 20 minute meal period, unless required to stay on the job by their supervisor, in which case they shall be paid for such twenty (20) minutes.

3.12.1 The meal period shall be taken between the following hours:

First Shift	-	Between	and
Second Shift	-	Between	and
Third Shift	-	Between	and

and for those jobs necessary to maintain production, it shall be taken in each department on a rotating basis according to schedule arranged by the respective supervisor in such manner as not to interfere with the normal production of the departm

14 61 Change at top of page 62 to read as follows:

"Employe absent more than five (5) consecutive working da luding holidays, other than leave of absence are expected to work at least once a week, etc., etc.

ection	Page	
.17	-	Delete and substitute the following:

The Union agrees to cooperate with the Management to attain the best productivity possible which is consistent with fair and reasonable labor practices. The Union will support Management's effort to improve production, establish efficient methods, eliminate waste, conserve materials and supplies and improve the quality of the workmanship.

.17.1 EXCEPT AS EXPRESSLY LIMITED BY A SPECIFIC PROVISION OF THIS AGREEMENT, THE COMPANY SHALL CONTINUE TO HAVE THE EXCLUSIVE RIGHT TO TAKE ANY ACTION IT DEEMS APPROPRIATE IN THE MANAGEMENT OF THE BUSINESS AND THE PLANT AND THE DIRECTION OF THE WORKING FORCES IN ACCORDANCE WITH ITS JUDGMENT, INCLUDING BUT NOT LIMITED TO THE RIGHT: TO DECIDE ON THE PRODUCTS TO BE MANUFACTURED, THE METHODS OF MANUFACTURE; THE DISCONTINUANCE OF ANY PRODUCT, MATERIAL OR METHOD OF PRODUCTION; TO INTRODUCE NEW EQUIPMENT, MACHINERY, OR PROCESSES, AND TO CHANGE OR ELIMINATE EXISTING EQUIPMENT, MACHINERY, OR PROCESSES; TO DISCONTINUE, TEMPORARILY OR PERMANENTLY IN WHOLE OR IN PART, THE CONDUCT OF ITS BUSINESS OR OPERATIONS; TO DECIDE ON THE NATURE OF MATERIALS, SUPPLIES, EQUIPMENT OR MACHINERY TO BE USED; TO SUBCONTRACT THE MANUFACTURE OF ANY OF ITS PRODUCTS OR ANY PORTION THEREOF, OR ANY MAINTENANCE, INSTALLATION OR SERVICE WORK; TO SELECT THE WORKING FORCES IN ACCORDANCE WITH THE REQUIREMENTS DETERMINED BY ITS MANAGEMENT; TO TRANSFER, PROMOTE OR DEMOTE EMPLOYEES; TO LAY OFF, TERMINATE OR OTHERWISE RELIEVE EMPLOYEES FROM DUTY FOR LACK OF WORK OR OTHER LEGITIMATE REASON, INCLUDING TERMINATION OF ANY EMPLOYEE WHO HAS BEEN ON LAY OFF FOR A PERIOD OF AT LEAST ~~SIX (6)~~ MONTHS, IF IN THE OPINION OF MANAGEMENT, THERE WOULD BE NO FURTHER NEED FOR ANY ONE OR MORE OF SUCH LAID OFF EMPLOYEES IN CONNECTION WITH THE PLANS OF MANAGEMENT FOR THE FORSEEABLE FUTURE; TO DISCIPLINE OR DISCHARGE FOR CAUSE; TO PROMULGATE AND ENFORCE COMPLIANCE WITH SAFETY AND PLANT RULES AND IMPOSE PENALTIES FOR VIOLATION THEREOF; TO DETERMINE THE SIZE OF THE WORKING FORCE, INCLUDING THE NUMBER OF EMPLOYEES ASSIGNED TO ANY PARTICULAR OPERATION; TO DETERMINE THE WORK PACE AND WORK PERFORMANCE LEVELS; TO ESTABLISH, CHANGE, COMBINE OR ABOLISH ANY JOB CLASSIFICATIONS AND THE JOB CONTENT OF ANY CLASSIFICATION; TO DETERMINE THE LENGTH OF THE WORKWEEK AND WHEN OVERTIME SHALL BE WORKED, AND TO REQUIRE REASONABLE OVERTIME.

.18	62	Renumber present 17.19 to 18.18 and delete present section 17.18.
.19	63 18.19	Renumber from 17.20 to 18.19 and substitute the following: No agreements contrary to this agreement shall be entered into between any committeeman and foreman unless mutually agreed to in writing and signed by representatives of the Union Negotiating Committee and two properly authorized officers of the Company.

1880A

ARTICLE 19 (formerly Article 18)

Termination

Section	Page	
19.01	64	Change termination date to "30th day of September 1965."
19.02	64	Delete entire section and substitute the following: "18.02 - In the event that either party elects to renegotiate the Agreement for Pension, Service Award and Insurance Benefits dated June 30, 1961, as amended and in the event that the parties are unable to reach an agreement in connection with said Agreement for Pension, Service Award, and Insurance Benefits and either party elects to terminate the same, then and in that event this Contract Agreement may be terminated thereafter by either party upon sixty (60) days' written notice."

99A CONTRACT NEGOTIATIONS 5/29/63 : 1881A

UNION REPRESENTATIVES

SABOL HESS

RONNAN TARBUTTON

VOLPE BOKOSKI

YAYOSINSKI

COMPANY REPRESENT,

CLAIRMONT HEINRICH

CONWAY BARKETT

LEE TIRE CONFERENCE ROOM TIME IO A.M.

OPENING REMARKS BY MR. CLAIRMONT.

We do not want anyone to consider these negotiations as a contest. This is not a contest between Union and Company. We should negotiate as partners. It will help alot if we try to place one another in the other ones shoes. Mistakes were made by past management; Labor and stockholders must all pay for these mistakes. We are all in the same boat. Management has cut and slashed wherever it was possible. Please don't think that Mr. Clairmont is negotiating, it is the stockholders. The heart of this business is missing; SALES. Please don't only think of the Company; but stop and think of yourself. What is best for you? Please use good judgement, We want you to understand the financial position of the Lee Company. The books are open to you fellows at all times. We wish to place all the facts on the table. I don't want to see these negotiations develop into a bitter fight. I would be very happy if we could go along with the increases that the big rubber company's gave, Lets create a calm atmosphere. Past management was lazy and didn't care what happened. Mr. Benner kept this Company running; but when he left the Co. went down and down. This plant is built to produce IO,000 tires a day, but we are only producing about I/5th of this amount. Our attitude should be a business attitude and not a contest.

HESS: Mr. Clairmont you have often stated that you could live with the present contract. Why can't you go along with the pattern of the other Company's?

CLAIRMONT: Mr. Hess if we had a normal situtions here we would be able to live with the present contract. Present conditions warrant a change. S.U.B. in other plants is not the same as we have here.

TARBUTTON: You also told us that these conditions were not the fault of the Union. Is this correct Mr. Clairmont?

HESS: You know that you often stated this.

CLAIRMONT: Yes that is correct. It isn't the fault of the Union; but everyone must give a little.

Hess: In regards to the closing of the back mill, you stated that you would sit down and talkto us before you closed and Dept's. I don't think you were fair in what you done.

#2 CONTRACT NEGOTIATIONS MAY 29, I963 MORNING SESSION

Clairmont: The back mill should of been closed along time ago. Maybe 20 years ago. It is impossible to run that kind of a business in a tire plant. Profits to us at Lee's at this time is like reaching for the moon.

ROMAN: The back mill made a very good profit years ago. I disagree with your statement. When you had Allan Sherman Hoff, you were doing very well.

SABOL: Other plants near-by here can make a profit on that kind of material. And so could you if you wanted to. Belco near Baltimore are making a profit.

CLAIRMONT: Even if the employee's in the back mill took that 25% reduction, we would of had to close it.

HEINRICH: I wish to give you fellows some figures, but these figures are confidential. Sales for the six (6) months ending April 30th I963 . Conshohocken plant only.

$9,468,899 [illegible] Last year $I4,043,525
Loss first six (6) months ending April 30, I963 $I,I50,735
Profit first six (6) months ending April I962 $I20,35I
Tax write off of $358,902 Reported loss of $79I,833
We are averaging a loss of about $250,000 to around #3oo.ooo
Loss in March I963 was $226,586

We have reduced all our tires to branch stores effective April 30, I963. I would like to tell you fellows that Lee is out of business on the west coast. Pep Boys sales in Feb. $I26,II8 Loss on Pep Boys order $42,I65 We only have three customer that mean any thing; Phillips, Pep Boys and Lee Tire Centers Inc. We are going to ask you fellows for things that I know will shock you and your members. But honestly fellows we must have these things to stay in business.

BARKETT: Productivity per employee at Lee's is low. Average wages in I959 was $3.I68 . We have new equipment but productivity didn't increase near enough. We don't have near enough jobs on piece work. Average wage for I963 is $3.746. Off standards is hurting us plenty. We know that treads is one of our biggest problems; but you people should only receive an allowance for the short tread, not the whole tire. And not the I00% guarantee. You should only receive an allowance for the part that is off standard. We need the cooperation of all the employee's. You people must produce more for you $24.00 a day. The base rate at Lee's is $2.437 and this is 50 to 60¢ higher than other plants our size. But the most discourging thing to me in this plant is plant wide seniority. This will and must be corrected, so we are able to keep experienced men on the jobs. We have trained 3 times as many tire builders, than we should of .

#3 CONTRACT NEGOTIATIONS MORNING SESSION MAY 29, I963

BARKETT: Here is a list of the money the Company has spent on new equipment.

I959----------	#I,I44,779	I960------ -	$470;028
I96I ----------	$776,82I	I962--------	$9II,3I0

MAY 29, I963 AFTER NOON SESSION CONTRACT NEGOTIATIONS

UNION REPRESENTATIVES		COMPANY REPRESENTATIVES	
SABOL	HESS	CONWAY	BARKETT
RONMAN	TARBUTTON	HIEL	
VOLPE	BOKOSKI		
YAROSINSKI			

CONWAY: Before we start lets set up a date and time for negotiations next week, Thursday June 6, I963 at I.00 P.M. and Friday June & 7 I963 at 9.30 A,M.. Is this Ok with the Union.

HESS: Yes, Joe that will be alright as long as we are making progress.

Conway: We have perpared a list of proposals that are the basic changes that the Company desires. These proposals are still subject to the approval of the Executive Board or Direcbors of the Company. This list will give you a basic idea of what the Company must have It must be fully understood that any tentive agreement is subject to approval of the entire agreement. No clause is adopted until entire contract is adopted by both parties. June 30, I963 is the deadline. In the event of termination and strike or lockout: Official time is I2.00 MID-NIGHT JUNE 30, I963. If there is an interrupation of work, due to a strike or lockout we won't need any Union employee's in the plant, such as boiler house workers or any one else. As far as newspaper releases, each party can make their own releases. There will not be any joint press releases. Company proposals are not final or complete; we reserve the right to make any changes, additions and deletions we so desire.

HESS: Joe the Union holds the same position. We want this to be on record.

CONWAY: Next week I think we should set a deadline for all propsals. The things the company are asking for this year are alot different. We both must forget the big 4 policies this year. We must take a different look at things this year. We are asking for a wage reduction; this is for all employee's hourly and piece workers. Recall rights must be reduced. The matter of bumping is very serious We are proposing key jobs, and also recall to key jobs regardless of seniority.
The Company is changing the fiscal year so it e will end on Sept. 30th. We are also suggesting that the new contract runs until Sept. 30th I965.

#4 CONTRACT NEGOTIATIONS MAY29, 1963 AFTER-NOON SESSION

CONWAY : We are also suggesting that the new vacation period run from October I, until Sept.30th each year; thewsame as the Company's year. The future of the Company and the future of your jobs depend on these contract talks. If the Company should get back in good shape, we except to give back some of the things that we must take away at this time.

SABOL: Joe; the committee is quite aware of your problems, but we must go back to our membership for any thing that we might approve. Please don't bite off more than you can chew. We will take all of your proposals under consideration. But I don't like the CompanY8s attitude about newspaper releases. This is not good for either one. I think whatever goes on in here should stay in here, and not be in the newspaper. But please remember you are the ones that wanted it this way.

Conway: Personally I din't think we should release any thing, but I am not able to change this. This is a Company position. Not mine.

SABOL: Just remember if we get in any newspaper hassle it will be the Company's responsibility. We are in here to negotiate in good faith; but if you fellows want it that way it is perfectly ok with us.

HESS: You state that certain employee's should be repaced.

ARKETT: We must set a time limit on emplotee's that don't make their rates.

HESS: What would happen to these employee's?

CONWAY: He could be discharged or maybe go back to this old job. discharge would be the extreme.
Now we will go over the Company's proposals.
SECTION 2:03.I We want to limit your committee to at least seven. Claimont thinks three is enough for you.

ESS: If we go back to 1000 employees would you leave us go back to the old number?

onway: I guess we would.

SECTION 2:03.5 T
CONWAY: The reason for this change is that we find it is not the practise for other rubber company's to pay for contract negotiations The reduction to 50 hours is because we now have fewer employee's

ECTION 3.02 Change is just for clairfication. and make Arbitrator make decesion according to contract.

SECTION 4.01

SABOL: This is a good one you could pick out an employee

#5 CONTRACT NEGOTIATIONS MAY 29, I963 AFTER-NOON SESSION

SECTION 5.02

SABOL: Here is another good one. You are taking the Arbitrators rights away from him.

SECTION 6.0I.I

I see no reason for your suggested change. We never had a problem Just who were the lawyer that wrote these darn things. You fellows should negotiate yourself and not get lawyers to write these.

SECTION 7.0I.I

SABOL: I don't see the reason for all these suggested changes.

SECTION 7.0I.3
CONWAY: Management feels we are not operating efficent. And we should of not granted this holiday last time.

SECTION 7.0I.3 Sub paragraph 6

CONWAY: We want to drop mother-in-lwaw and father in law.
Just a roll back of I96I gains that we shouldn't of given you.

SECTION 8

HESS: How about holding article 8 for a later date.

CONWAY: Ok because this section always takes a lot of time.

SECTION 9.0I CONWAY We will hold this for later.

SECTION 9.02

CONWAY: This is only for a correction of grammar.

BARKETT: The Company will revise their proposal later.

HESS. We will meet the Company at Seven O'clock tomorrow morning because we must make as much progress as possible.

CONWAY: You can call the meeting at seven but I'll be here at 9;30

100A

IIth MEETING CONTRACT NEGOTIATIONS JUNE 28, I963
FEDERAL MEDIATOR MR. L. McGEE

UNION REPRESENTATIVES
GARBER SABOL HESS
RØNNAN TARBUTTON VOLPE
YAROSINSKI BOKOSKI

COMPANY REPRESENTATIVES
CONWAY RUDDEROW

*NOTE ONLY ONE REPRESENTATIVE PRESENT. REFER TO LETTER JUNE 4, I963 from HARRY SCHICK.

CONWAY: We have got three items that we would like to go on record as additional concessions this morning.

I. SECTION 6.0I Company withdrawing revisioned proposal.
2.SECTION 6.0I.3 COMPANY PROPOSAL WITHDRAWN.
3Section 8.I2. Proposal withdrawn by Company.

CONWAY: This is all of the Company items that we are proposing a change in our position this morning.

VOLPE: If we take a 25% wage reduction and you than have a job evalu ation program and use the Cooper rates; If they pay their welder $4.00 an hour. Would I receive this rate of pay.

CONWAY: With no concrete proposal; I don't know what rates would change.
GARBER: You did say COOPER and MOHAWK wages didn't You?
CONWAY: Did we say that?
SABOL: Joe you know darn well you did.
Garber: Do you need any Union personnel incase of a Lockout or a Strike?

CONWAY: No not at this time. In the event we would have an extension I will reserve this right until that time.

SABOL: Suppose you would have some kind of an emergency, like a broken pipe and etc.

CONWAY: After June the 30th we would probably get one of the foreman to repair it.

CONWAY: In regards to off standard pay, we don't feel this would accomplish the cost reduction that we need so bad; so we are not in the position to accept the Union's proposal at this time.

VACATION Program. of Union's suggestion guarantee in July or AUGUST, we feel this would tie our hands to tight.
We are willing to go along with our present counter proposal
GARBER: How about the accumalation of the I00 hours?
CONWAY. We will not go along at this time.
HESS: Did you explain to the Executive Committee that we have never had a problem on vacations.
GARBER: How about the I040 hours for vacation pay.Your proposal id double pro-rato
CONWAY: Are postion is still the same for Vacation pay.

II th MEETING CONTRACT NEGOTIATIONS AFTER-NOON SESSION.

COMPANY REPRESENTATIVES PRESENT WERE BERNSTEIN HEIL, CONWAY and HEINRICH. ALL THE UNIONS REPRESENTATIVES THAT WERE PESENT FOR THE MORNING SESSION WERE PRESENT .

BERNSTEIN: I suppose we all can agree that up to now you fellows have been trying to get information for an unfair labor charge. The Bulletin ststed that Joe Conway was no not bargaining in good faith. We are requesting an extension until II P.M. July 8th with all agreements in effect

I. Termination date we would not cuase a strike over this. Both the Republic and Lee contracts expire the same time, We don't want this.

GARBER: Just why do you want an extension until July 8th.?

BERNSTEIN: We knoe we are faced with a difficult task. We have gone through all of the items. Cost is our problem, and we need time to see how the company can survive.

HEINRICH: I think the important thing on the table is this extension

SABOL: You have been spending all of your time on an extension, and not on the agreement.

GARBER: That is all that you have been working on Friday a week ago you gave us one , than you withdrawed it, then Monday you gave us another one and than Wed and Thursday you had a long discussion on this matter and now again to-day.

HEINRICH: We are not meeting with you on Sat. or Sunday. Joe has be en working to hard, day and night and you know he had an heart attack and we are not taking any chances.

BERNSTEIN: I will not be available for any meeting on Sat.

RONNAN: You talk about prinicpal Geo., you put 25 years in this plant and than listen to all this crap. Get down to principals yourself.

HEINRICH AND BERSTEIN GOT THERE ASS UP IN THE AIR AND WALKED OUT. CONWAY AND HEIL REQUESTED A RECESS. FEDERAL MEDIATOR GRANTED THIS TIME 2.30 P.M.

UNION REQUESTED THE FEDERAL MEDIATOR CONTACT THE COMPANY REPRESENT ATIVES TO CONTINUE NEGOTIATIONS.

COMPANY REPRESENTATIVES CAME BACK TO CONFERENCE ROOM AT 3.45 P.M.

GARBER: As far as cost figures Cooper and Mohawk wages are about the same as yours. Job evaluation we have indicated that we are willing to consider if we can receive all of the information. Your cost will lower with the increase of production.

BERNSTEIN: We are losing money every month. Conversion cost are to high, we do not intend to continue to lose money. The future of this Company depends on a roll back of labor cost. How about Article I2 of the S.U.B.

GARBER WE told you we can't lose recall rights and also SEPERATION PAY. Increas in production and sales will give you the relief you need.

HESS: We are not taking any wage reduction at this time

#2 AFTER-NOON SESSION June 28, 1963

HEINRICH: We are sticking to our 25% wage reduction. We hope you give the Company an extension. We hope that you do not strike.

HESS: Would you go along with the present Contract for the next 2 years, with no wage reopener.

HEINRICH: We could not do this.

CONWAY: We will have a meeting on Monday, if an extension is granted

HEINRICH: Come 12.01 A.M. SUNDAY NIGHT could you call Joe Conway and leave him know your position, and if you are going to strike or not.

HESS: Yes we will leave Mr. Conway know. In case you change your mind about meeting on Sat. or Sun. Call me and our committee will be available.

L. McGEE FEDERAL MEDIATOR . Would you people work day to day under the old agreements.

BERNSTEIN We will work without an agreement, but give the employees all the rights and conditions of the old agreements

NEXT MEETING AT 10.00 A.M. Monday in the plant if no strike, in the event there is a work stoppage we will meet at 8th and Fayette street. No cost to the Union for the use of this meeting place.

PHONE CONWAY. M.U. 8-6286

FEDERAL MEDIATOR 609-428-4887

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13th MEETING CONTRACT NEGOTIATIONS JULY 3, 1963

FEDERAL MEDIATOR MR. L. McGEE
REGIONAL DIRECTOR, MR. DONUHOO.

UNION REPRESENTATIVES			COMPANY REPRESENTATIVES		
GARBER	BALDANTE	SABOL	CLAIRMONT	HEINRICH	GARTHWAITE
HESS	RONMAN	TARBUTTON	GARRETT	CONWAY	HEIL
BOKOSKI	VOLPE	YAROSINSKI	BARKETT		

CLAIRMONT: It is not my purpose at this meeting to negotiate here to-day. This is the task of the negotiating committee appointed by the Executive Committee of the company. This committee reports back to the Executive Committeee and the Board of Directors, just like the Union Committee reports back to its Executive Board and its membership.

I would like to state that I personnally don't thinlk it is fair to use articles about Herman Kahn and myself. I can stand on my own record, I have never liquidated. I suggest that the Union check the record of Mr. Kahn and then compare the two of us. We are now faced with the possibility of losing two of our best customers Phillips and Pep Boys. Mr. Garber stated that the Union members were suspici on of some of the top management, at one of your meetings during contract negotiations. Not enough time was spent on the economic cost. I know because I read the minutes of these meetings. We need this wage reduction because our employment cost of wages and fringe cost are the highest in the industry based on production per man hour. This is 50% higher than in the year of 1959. And you all know tire prices are now alot lower than they were in 1959. Are cost is about double, compared to are competition. Job evaluation was put in effect by other companys, but not as yet at Lee's.
KEY Jobs. This is a major issue at Lee's . We need this because of sales and of production. Cost have gone higher because of bumping and lay-off. Plant seniority is important to you fellows, but so is key jobs important to the company. As a result of so much bumping we find alot of bad stock, because we have so many learners on the jobs. Enough was said about job evaluation during negotiations. Cooper has a joint committee. Mohawk doesn't have any Arbitration on job evaluation.

S.U.B. We have agreed to give up are demands, if Seperation pay is paid only from the fund. We have a liablity of $280,000 a year for past service. And we have the liablity of plant closeure.
I have two solutions, but these ideas are not final proposals, and subject to the Board od Directors approval. Wording is not final it is only worded now to give you the highlights.
CLAIRMONT AND HEINRICH READ OUT TWO PROPOSALS ON PROFIT SHARING PROVIDING THE UNION TAKES A 25% WAGE REDUCTION.
NOTE* CLAIRMONT STATED THE UNION WOULD GET COPIES OF THESE TWO PROPOSALS. THIS IS THEE REASON THAT THEY ARE NOT IN THE MINUTES.

GARBER: Let me see if I understand you Mr. Clairmont, If there is no 25% wage reduction, your profit sharing plans are withdrawn?
CLAIRMONT. That is right.

#2 CONTRACT NEGOTIATIONS JULY 3, 1963 13th MEETING

MORNING SESSION RECESSED AT 11.50 A.M.
AFTER-NOON SESSION STARTED AT 3.45 P.M.
NOTE.* BERNSTEIN WAS PRESENT AT THE AFTER-NOON SESSION.

GARBER: We are somewhat interested in the companys production. We are proposing a one (1) year extension of all agreements. In this time we feel that your cost will be descreades in this time.

BERSTEIN. What happens in one year if the gamble fails and the company is still losing?

GARBER. In your wage reduction the employee would lose around #1500. dollars ayear, and than possible for them to make around 1400 dollars in profit sharing.

BERNSTEIN. You offer us two choices. Go down the drain in 1 and 1/2 years or go down the drain now.
CONWAY: According to the Unions counter proposal of 15.2 cost. we can not get business at this price now.

HEINRICH. In order to make it official; your counter proposal has been rejected by the company.

BERNSTEIN: Wages isn't the only cost item. We also have the S.U.B. We want to limit the seperation payments from the S.U.B. fund. What is the Unions feeling on this?

HESS: Would this have any effect on the 25% wage reduction that you are asking?
BERNSTEIN. If this S.U.B. could be adjusted, I don't know what effect it would have on wages, if any.

GARBER. You know we can not give you relief on recall and seperation.

BERNSTEIN: Now that the agreements have expired, and if we can(t get some relief. I don't know if we can continue S.U.B. or not.
HESS: Don't you have to pay seperation to laid-off employees, because they were laid -off under those terms?

BERNSTEIN. We may or may not. This is our problem. We are both giv ing each other papers this isn't collective bargaining Has any one told the membership that the company wants and needs this relief?
HESS: We told the membership this and also read out all of your proposals.

HEINRICH: WE ARE VERY CLOSE AT REACHING IMPASSE. (DEADLOCK)

GARBER: WE TOLD you we would work with the same contract for two years with no wage increase.

HEINRICH: Is your demand for the big 4 wage increase officially withdrawn?

#3 JULY 3, 1963 CONTRACT NEGOTIATIONS MEETING.

GARBER: No, it is not withdrawn, but you know our position.

REGIONAL DIRECTOR. DUHAHOO. RECOMMENDS A FACT FINDING BOARD WITH NO BINDING DECISION.

BERNSTEIN. We can not make and will not make a decsion on this fact finding. We will go back to the Board of Directors.

CONWAY WROTE ON A PAPER AND SHOWED IT TO HEINRICH AND BERNSTEIN " I DON'T LIKE THIS FACT FINDING IDEA.)

HEINRICH: I don't like this idea and Joe Conway don't like it, but if you insist we will make a decsioin. I will say no fact finding. But if you don't insist on an answer to-day we will reveiw it.

NEXT MEETING FRIDAY JULY 5, 1963 Time 10.00A.M.

14th MEETING CONTRACT NEGOTIATIONS JULY5, 1963

FEDERAL MEDIATOR, MR. L. McGEE

UNION REPRESENTATIVES			COMPANY REPRESENTATIVES	
GARBER	BALDANTE	SABOL	CONWAY	BERNSTEIN
HESS	RONNAN	TARBUTTON	HEIL	HEINRICH
YAROSINSKI	VOLPE	BOKOSKI		

MR. McGEE: I would like to know the feeling of both the Union and the Company on a fact finding board.

GARBER: We will agree to the general principal of fact finding.

CONWAY: What do you mean by general principal?

GARBER: We agree with this , but we must know something in regards to the time limit, expense and the number of persons on this fact finding board.

HEINRICH: We held a meeting on this topic, and we went in great details. We reject this offer for the following reasons.

I. Use of fact finding boards are for large industry, and not for small company's like ours. This is adnormal to us and not normal.

2. Time is important to us. This would probably take a month or two and this is too long for us.

3. What facts are their to investigate? Wages and losses are the facts.

4. The Executive Commitee and the Board of Diredtors, judge what is best interest for the Company. The stockholders and the Execut ive Committee make the decsions for the company. We can not see how we can go along with the idea of fact finding

CONWAY: We have no alternative.

BERNSTEIN: The Union probably made their proposal in good faith, but we need relief and need it right away. penicillin is what we need and the Union is only offerring us aspirin.

FEDERAL MEDIATOR, MR,L. McGEE. From the way the Company is talking Arbitration is also out. Is this correct Mr. Heinrich?

HEINRICH: Yes this is correct.

GARBER: Your illiness is more than just wages, because your losses according to reports are much larger than amount of wages paid.

HEINRICH: You are correct Bob. We are hoping to reduce all of our losses. Wages are high and productivity is very low. Time is very important to us. We must ihsist on this 25% wage reduction.

14th MEETING CONTRACT NEGOTIATIONS JULY 5, 1963

BERNSTEIN: With this 25% wage reduction, it is true we would still have losses, if production remained the same; but it sure would help this company to get on the road to recovery.

HEINRICH: Fellows we have to go beyond Firestone and the other large companys as far as price and delivery goes in order to get business.

CONWAY: I will give you the Company's current position on the major items.

1. As far as the 25% wage reduction. We still feel this is a must.

2. The Company's last proposal on Key jobs. This is necessary for the company to operate efficient. We would be willing to drop some of these key jobs when we reach full production. Full production is 6,000 tires a day.

3. Management rights clause is still important to us.

4. Company's proposal on Job Evaluation is a must.

5. Off standards payment. We still feel that we must stick our proposal. The Unions counter proposal is not sufficient.

6. 1961 cost items; are very important to the Company.

A. Cancellation of eight(8th) paid Holiday.

B. Cancellation of three (3) day extended vacation for death in family.

7 C. Article 12 S.U.B. Seperation Pay we must cancel this. Revised proposal is ok if payment is limited to the assets of the fund

8 7. Recall Rights must be limited to 12 months in order to operate efficient the next two (2) years.

9 8. Vacations pay Formula that was proposed we would like to correct this for the record and state that any employee working less than 1040 hours would be pro-rato. We will propose a formula that isn't double pro-rated. Average hourly earnings multiple it by 2080 hours. Total earnings if he works this amount of hrs. 2% based on 2080 hours. This is for hours worked only.

CONWAY: This is our major items at this time and they are still on the table and not resolved as of yet. They are of economical value to this company. We shall now report to the Executive Committee of this company too see what steps will be taken; because we can not come to any agreement on these very important items.

SABOL: You people aren't trying to reach an agreement. Why don't you start to negotiate in good faith?

HESS: You are sure wasting alot of valuable time. Time is import ant to our members.

#3 July 5, 1963 CONTRACT NEGOTIATIONS.

GARBER: We have made alot of suggestions, so we can reach an agreement that is fair to both Union and the Company; but we just can't go along with your proposals.

We are willing to offer what we already offered to you before.

I. Extend working agreement for 2 years with a wage reopener.

2. I year extension of all agreements with productivity sharing.

3. Key Jobs for Tire Builders.

4. We also offered to do something in regards to supervision off standards payment; and grievance time, plus all other mutually agreed sections so far.

We have a suggestion designed to help the Company, but we are not going for any wage reduction. We are willing to put a certain percentage of our wages, I suggest 5% into stock. We have faith in the Public and the Company as far as rebuilgin g this company. We know it can be done if the proper methods are applied.

BERSTEIN: We will give your suggestion alot of study.

HEINRICH: Your suggestion still represents money. However we will consider your proposal.

BERNSTEIN: You ask were do we go from there. We can only go back to the Executive Committee and the Board of Directors. We are still far apart. I think that further discussion will not get us any where to-day.

FEDERAL MEDIATOR: I would like to suggest that you both go back and study over your proposals and that we all get to-gether next Wed. July IO, I963.

HEINRICH: We must have time to study your proposal. It could mean ~~control~~ CONTROL of this company some day.

BERNSTEIN: Time is very important and critcal. We can not stand status-quo for long. We can't prolong this for another 3 or 4 months.

GARBER: Maybe Thursday or Friday might be a better time to meet.

NEXT MEETING THURSDAY July II, I963 at II A.M.

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G. Borden — OV 8 5985

June 21, 1963

Lee right
Cert Congress Hotel Chicago - 6-25-63

7380
Room 520

MEMORANDUM OF UNDERSTANDING

This Agreement made and entered into this 21st day of June, 1963, by and between Lee Rubber & Tire Corporation, Conshohocken Plant, Conshohocken, Pennsylvania and Local No. 227, United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO:

Whereas, the parties hereto are the parties to a collective bargaining agreement entered into on June 30th, 1961, which expires by its term on June 30, 1963; and

Whereas, the parties are now engaged in negotiations seeking to conclude a new collective bargaining agreement as a result of the early termination date of their present agreement; and

Whereas, it appears that the many complex issues now open before the parties may not be satisfactorily resolved to their mutual satisfaction prior to June 30, 1963; and

Whereas, the Union has taken a strike vote of its membership wherein sanction to strike was approved by an overwhelming majority of the membership; and

Whereas, it now appears possible that the Union may engage in a strike at any time subsequent to June 30, 1963; and

Whereas, the Company desires to protect itself against unusual losses and costs arising out of a sudden cessation of operations steming from a strike; and

Whereas, both parties hereto desire to faithfully continue the negotiations free from the pressure of arbitrary deadlines:

Whereas, the Union agrees that it would be desirable that work should not be interrupted until such time that a final outcome of these negotiations shall be determined without the company being exposed to the risks and damages that would otherwise result from a sudden strike:

Therefore, it is now agreed as follows:

1. Should the parties be unable to reach an agreement by the contract termination date of June 30, 1963, work shall continue thereafter on a day to day basis without any agreement while negotiatons are still continuing and in the event the Union decides to resort to strike action, at anytime thereafter, it agrees to give the Company a seven (7) working day advanced noticed of such strike action, and during such period all of its members shall pefform any necessary production and maintenance tasks required by the Company in order to permit the Company to complete the conversion into finished goods of the work then in process and the shipment of such goods, that are not in conflict with the terms of the expiring C.B.A.

In case work continues as aforesaid, on a day to day basis, it is understood that the membership shall perform the production functions in a normal manner and there shall be no walkouts, slowdowns, work stoppages or any action interferring with normal operations.

UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA, LOCAL NO.227

LEE RUBBER & TIRE CORPORATION CONSHOHOCKEN PLANT

107A

LEE RUBBER & TIRE CORPORATION

Notice of Annual Meeting of Stockholders

To the Stockholders of
LEE RUBBER & TIRE CORPORATION:

The annual meeting of stockholders of Lee Rubber & Tire Corporation will be held at the office of the Corporation's Transfer Agent, Morgan Guaranty Hall, Mezzanine B, 60 Liberty Street (around corner from 140 Broadway), New York City, at 11 A. M., on Friday, the 23rd day of February, 1962, for the following purposes:

1. To elect a Board of Directors to hold office for the ensuing year or until their successors are elected and qualify; and

2. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Stockholders of record at the close of business on January 18, 1962 will be entitled to vote at the meeting.

By Order of the Board of Directors,

PAUL VAN ANDA,
Secretary.

Dated: January 19, 1962.

Please give the enclosed proxy your immediate attention.

We hope that you will attend the stockholders' meeting but, if this is impossible, please cooperate by returning your signed proxy by return mail in order that the presence of a quorum be assured.

PROXY STATEMENT

1. This Proxy Statement is furnished by the Management of LEE RUBBER & TIRE CORPORATION.

2. The accompanying proxy is being solicited by and on behalf of the Management of your Corporation pursuant to a resolution of the Board of Directors for use at the annual meeting of the Corporation to be held on February 23, 1962, and any adjournment thereof. A proxy may be revoked at any time prior to its exercise at the meeting, by the stockholder giving the proxy.

3. The Corporation is paying the expenses of printing and mailing to its stockholders this Proxy Statement and the accompanying notice of meeting, form of proxy and return envelope. In addition to the solicitation of proxies by use of the mails, other means of communication, such as telephone and telegraph and personal interview by not over two regular officers or employees of the Corporation, for which no additional payment will be made, may be employed by the Corporation. The expense of this solicitation, as well as the expense of reimbursing nominees or agents for their out-of-pocket expenses for obtaining from their principals authorization to execute proxies, will be borne by the Corporation.

4. Holders of record at the close of business on January 18, 1962, of outstanding Capital Stock of the Corporation are entitled to vote at this meeting. The Corporation has outstanding in the hands of the public 838,100 shares of Capital Stock. Each share of stock is entitled to one vote.

5. The stockholders will be asked to vote for thirteen directors, which is the full board, to serve for the term of the ensuing year or until their successors are elected and qualify. It is intended that the persons named in the accompanying proxy will vote your stock in favor of the nominees listed below, all but one of whom are at present members of the Board of Directors and have been recommended for re-election by the Management. The names of the nominees together with certain information about them, as furnished by such nominees, is set forth below.

Name	Any Other Position or Office With the Corporation and Principal Occupation	Director Since	Shares of the Stock of the Corporation Beneficially Owned as of Jan. 2, 1962
Robert M. Brasaemle.....	Retired Vice-President — Production, Lee Division	Feb. 27, 1958	5,000
Ralph E. Carpenter, Jr.....	Partner of Reynolds & Co., stock-brokers and investment bankers	Feb. 25, 1960	100
A. A. Garthwaite.....	Chairman of the Board of Directors, Member of the Executive Committee	Dec. 20, 1915	12,000

Name	Any Other Position or Office With the Corporation and Principal Occupation	Director Since	Shares of the Stock of the Corporation Beneficially Owned as of Jan. 2, 1963
A. A. Garthwaite, Jr.	President, Member of the Executive Committee	Oct. 27, 1949	8,000
Stanton Griffis	Member of the Executive Committee; Chairman of the Executive Committee of Paramount Pictures, Inc.	Mar. 26, 1925	2,000
W. F. Hinderscheid	Vice-President—Sales	Mar. 31, 1954	4,400
C. C. Hoffman	Attorney, New York, N. Y.; this has been his only principal occupation or employment during the last five years	Has not previously been a director.	500
Ernest M. Ikirt	Treasurer of the Corporation, General Manager of its Republic Rubber Division	Feb. 23, 1961	3,000
Ambrose E. Impey	Member of the Executive Committee; retired Vice-President, The Chase Manhattan Bank	Jan. 22, 1931	1,000
Herman Kahn	Chairman of the Board, Condenser Service & Engineering Co., Inc., Hoboken, N. J.	Feb. 23, 1961	25,000
John McShain	President of John McShain, Inc., General Contractor, Philadelphia, Pa.	July 30, 1958	2,200
Thorpe Nesbit	Attorney, retired member of the firm of Nesbit, Morris, Pugh & Noonan, Philadelphia, Pa.	Nov. 29, 1944	3,000
Paul Van Anda	Secretary of the Corporation, Member of the Executive Committee; attorney, member of the firm of Satterlee, Browne, Cherbonnier & Dickerson, New York, N. Y.	Jan. 23, 1941	3,000

In the event any of the above-named nominees for the office of director becomes unable to accept nomination or election, it is intended that the persons named in the proxy will vote for the election of such other persons for such office as the Management may recommend in the place of such nominee.

6. *Information Relative to Remuneration and Other Transactions with Directors, Nominees, Officers and Others.*

A. Remuneration from the Corporation and its Subsidiaries to those Directors and those Officers of the Corporation and its Subsidiaries who received over $30,000 for the fiscal year ended October 31, 1961, on an accrual basis.

Name and capacity	Aggregate Remuneration	Remuneration Retainable after Deduction of Estimated Federal Income Taxes*
A. A. Garthwaite..... Chairman of the Board of Directors.	$ 48,000.00	$22,312.00
A. A. Garthwaite, Jr..... President and Director.	52,500.00	29,823.00
W. F. Hinderscheid ..... Vice-President and Director.	34,762.50	21,881.00
All Directors and Officers of the Corporation as a Group	246,698.11	—

* The figures in this column are not taken from the income tax returns of the respective individuals but represent the sum that would be left after income taxes computed according to the provisions of the Internal Revenue Code applicable to the taxable year 1961, as if the payment of remuneration set forth above were his entire income and no deductions or credits were allowed other than the standard deduction under Section 141 and a personal exemption under Section 151 of the aforesaid Code. Mr. Garthwaite's tax has been computed on the basis of a separate return, those of the other officers on the basis of a joint return.

B. Pension Plan.

Name	Corporate contributions under Pension Plan for year July 1, 1961 to June 30, 1962	Estimated Annual Benefits on Retirement*
A. A. Garthwaite.....	$ —	$20,500.00**†‡
W. F. Hinderscheid.....	2,084.43	9,401.88
A. A. Garthwaite, Jr.....	3,817.32	16,740.00

* These figures are computed according to the Pension Plan assuming certain facts as follows: (1) that the individual remains in the service of the Corporation or its subsidiaries until normal retirement age, (2) that the individual's salary continues at the same basic rate as paid in 1961, and (3) that the Plan be continued without substantial modification.

** Payable 10 years certain and life.

† $5,500 of this amount is due to accumulated interest and decreased life expectancy since Mr. Garthwaite attained his normal retirement age under the Plan; he has remained in the service of the Corporation at the request

the Board of Directors but no further contributions have been made for his account since he reached his normal irement age.

‡ *Superseded Plan.* Under a special retirement plan and trust, now superseded by the Pension Plan above referred certain key officers and employees of the Corporation will also receive, beginning one year after normal (or later ual) retirement age, assuming that each of them and other beneficiaries are eligible to receive the benefits under the n at that time, certain sums each annually for five years. Mr. Garthwaite's annual benefits thereunder on that sumption will be $24,705.75. The amounts of the benefits are based on the contributions made by the Corporation $139,000 for the year 1941 and $124,000 for the year 1942, making a total for the two years of $263,000, which invested in Government bonds, the fund having a total valuation as of December 31, 1961 of $123,528.76 after gregating amounts allocable to employees heretofore retired. No further contributions have been made since 1942, e to the suspension of the plan.

. Stock Options.

From November 1, 1960 through January 4, 1962 stock options granted under the Employees' tock Option Plan for the purchase of the Corporation's $5 par common stock have been exercised by uch officers and directors as shown in the following table:

Name	Number of Shares Purchased	Purchase Price	Market Value on date of Purchase
A. A. Garthwaite, Jr.	100	$1,793.00	$1,875.00
All directors* and officers as a Group	225	3,658.00	3,703.13

* No directors who are not officers or employees are eligible to receive stock options under the Plan.

NOTE: As the figures above show exercises since the beginning of the last fiscal year (November 1, 1960) and through January 4, 1962, they constitute a duplication of the figures given in last year's proxy statement, paragraph 6 C, to the following extent:

Name	Number of Shares
All Directors and Officers as a Group	125

7. *Information Relative to Employees' Welfare Benefit Agreements.*

During the year the Employees Welfare Benefit Agreements covering the union represented employees at Conshohocken and Youngstown respectively were revised by agreements with the respective unions, the principal change being to require the company to begin the funding of the union-negotiated pension plans by July 1, 1962. The pensions have heretofore been on an unfunded, "pay-as-you-go" basis. It is estimated by the company's actuaries that the minimum funding required will amount to an annual payment for normal service of $226,373 and for prior service of $244,447, making a total of $470,820. A ruling is being requested of the Commissioner of Internal Revenue that these union-negotiated pension plans will be qualified under the Internal Revenue Code so that contributions by the company will be

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deductible for Federal income tax purposes, and the agreements to fund are contingent on a favorable ruling. As this revision is in accordance with industry practice, placing the company at no competitive disadvantage, and as prompt action was considered necessary to maintain good labor relations, the management felt constrained, as it did in 1955 and 1953 to depart from its previously held intention of submitting amendments of the plans to the stockholders for approval, as explained in the proxy statement dated May 23, 1950.

8. The annual meeting of stockholders is called for the transaction of the above-stated business and for the transaction of such other business as may properly come before the meeting although, as of the date of this Proxy Statement, the only business which the Management intends to present or knows that others will present, and concerning which the proxy will be exercised or used for the purpose of a quorum at the meeting or any adjournment thereof, is as set forth above. However, if any other matters, not now known, properly come before the meeting, it is intended that the persons named in the proxy, or their substitutes, will vote your stock in accordance with their best judgment on such matters. All shares of stock represented by duly executed proxies received by the Corporation will be voted at the meeting by the persons named in the proxy or their substitutes.

By Order of the Board of Directors,

PAUL VAN ANDA,
Secretary.

Dated: January 19, 1962.

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LEE RUBBER & TIRE CORPORATION

CONSHOHOCKEN, PENNSYLVANIA

RECEIVED
MAR 2 1963
OFFICE OF COMPTROLLER

March 25, 1963

To the Stockholders of
Lee Rubber & Tire Corporation:

Results of operations for the first quarter ended January 31, 1963 are shown in the table below, together with comparable data for the first quarter of the preceding fiscal year.

	Quarter Ended January 31	
	1963	1962
Income:		
Net Sales	$ 8,636,427	$11,182,464
Other Income	38,077	24,261
	8,674,504	11,206,725
Cost of goods sold, depreciation, selling, administrative and general expenses	9,076,417	10,889,294
Earnings (loss) before Federal income taxes	(401,913)	317,431
Claim for Refund of Federal income taxes, estimated	(229,800)	—
Provision for Federal income taxes, estimated	—	116,100
Estimated net earnings (loss)	$ (172,113)	$ 201,331
Per Share	$ (.21)	$ .24
Shares of Capital Stock Outstanding	828,400	838,100

The above results are subject to the usual year-end audit by independent public accountants and do not reflect any accounting adjustments in connection with the fluctuation of the Company's Lifo inventory position during the course of the fiscal year; such Lifo inventory adjustments shall become determinable as of the close of the fiscal year.

The loss for the current period resulted from operations of the Company's Tire Division. This Division is caught between the necessity to reduce its manufacturing cost, which can be achieved only by fully utilizing production capacity, and the current low level of sales stemming from the Company's past failure to create an independent distribution able to assure a steady sale of its tire products. The task of correcting this unfavorable situation in the Company's Tire Division is made even more difficult by the large inventories which have been built up previously and which must be reduced to amounts better related to existing sales capacity.

It is vital to develop new sales outlets in line with the trends of tire marketing to supplement the Company's present inadequate tire distribution through its own branches. This is a long and difficult program and also a costly one because of the overhead resulting from the necessity to maintain an adequate organization. Even though every effort is being made to reduce such overhead as much as possible, it is still high in relation to the Company's present reduced sales volume.

As mentioned in our annual report, a comprehensive study is in progress in order to determine how the Company's problems can best be solved, and as soon as definite plans have been adopted as a result of a thorough analysis of the underlying facts, we expect to report further to stockholders.

Sincerely yours,

A. A. GARTHWAITE, JR.

President

Republic Rubber Proposals, to be considered as a whole, that will improve the competitive position of the Company. This proposal submitted on Friday, July 5, 1963.

1. Key Jobs.

1. Banbury Operator
2. Tube Machine Operator
3. Mill Man
4. Cover Machine Operator
5. Lead Press Operator
6. Permanent agreement on Press Room jobs now under temporary agreement
7. Black Rock Cutter
8. Plastic Extruder Operator
9. Belt Building
10. First Man, curing press - Belt
11. First Man, curing press - Packing
12. Roll and Gasket Builder
13. All mechanical shop employees exclusive of the labor gang and ash man in the boiler house — 70
14. All clerks and planners — 15
15. Reinspection of finished goods in the Trimming Department — 4
16. Hand hose building in the Long Hose Department — 12

9

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With respect to the above mentioned key jobs, all provisions of Article IV (Application of Seniority) shall not apply in connection with transfers, recalls and lay-offs, or when, as a result of their application, employees in said key jobs would become subject to Bumping.

Management shall have the right to fill such key jobs on the basis of required skill, experience and physical ability for the respective job but shall give consideration to seniority only when such skill, experience and physical ability to perform the job efficiently is equal.

2. Job Evaluation Program and Restudy Rates.

A man on our staff will conduct the evaluation program. The Union is privileged to review the evaluation work. Should the parties be unable to agree

NEW AGREEMENT TO BE FROM JULY 1

upon the evaluation of a job, the Union and Company will mutually select a practicing industrial engineer skilled and experienced in job evaluation who is a regular member of the staff of a professional industrial engineering firm, who shall establish the evaluation of the job in question. This same industrial engineer shall be employed to establish all such disputed jobs during the term of the then current Company-Union Agreement. The decision of this industrial engineer shall be final. The cost of employing this engineer shall be borne equally by both Company and Union.

In the absence of any other agreement, the industrial engineer mentioned above will be selected by asking the American Arbitration Association to submit the names of five (5) industrial engineering firms answering the above description. Union and Company will alternately strike out names until only one remains. The remaining one will serve in the capacity described above. The person designated by such firm from its staff as being the best qualified for the job shall be accepted by both Union and Company.

Job evaluation is not subject to arbitration under the terms of the formal Company-Union Agreement.

✓ 3. Lunch Periods. Article II Section 1 Page 13

Eliminate Paragraph 3
Delete Paragraph 4 and insert the following:

Male incentive workers will be in the plant 8 hours and may take a 20 minute unpaid lunch period.

Female incentive workers will be in the plant 8 hours and will take a 30 minute unpaid lunch period. They will receive pay for 7.8 hours.

Delete Paragraph 5 and insert the following:

Day workers will be in the plant 8½ hours and will take a 30 minute unpaid lunch period.

Delete Paragraph 6, 6.01, 6.02, 6.03, 6.04 and insert the following:

The prevailing practice covering the setting of piece-work rates provides adequate allowance for lunch and other personal time and will be continued.

Paragraph 7 as follows:

On continuous operations, operators will keep the operation going until relieved by the operator on the following turn. Employees on continuous operations will not shut down the operation to eat. However, they will be permitted to earn 33.3% in excess of the standards on these operations.

4. Off-Standard Payment.
In all cases where an employee is off-standard because of abnormal stock conditions, equipment delays, no rates, change of operation, methods, etc., the off-standard payment will be 90% of average hourly earnings for the first week the condition exists and 95% of average hourly earnings thereafter.

It shall be the duty of the employee to notify the foreman that such condition exists or may exist.

5. Nurses.
The Company will provide adequate first-aid on all turns.

6. 8th Holiday.
Eliminate the 8th paid holiday.

7. Vacation Pay.
Employees who accumulate their first year of vacation service between October 1st and September 30th will become eligible for one week's vacation upon actual completion of the twelve months' service if actively at work on that date, or upon return to work thereafter for a period of thirty days, unless laid off before the end of thirty days, provided they drew pay for at least 26 full weeks of the said twelve months. Employees who accumulate 3 years of vacation service, employees who accumulate 10 years of vacation service, and employees who accumulate 22 years of vacation service between October 1st and September 30th will become eligible for two weeks, three weeks and four weeks respectively upon actual completion of 3, 10 or 22 years' service, provided they drew pay for at least 26 full weeks during the preceding vacation year and have worked or are on scheduled vacation in the current vacation year.

The vacation pay for each week of vacation shall be Two Percent (2%) of the employee's earnings for the

Minimum vacation pay for each week of vacation credit shall be the equivalent of one and three-tenths percent (1.3%) of the employee's earnings for the preceding vacation year. An employee shall be paid minimum vacation pay when such minimum is greater than his earned vacation pay computed in accordance with the provisions of Paragraph 9 above, provided the employee has received wages from the Company for work performed during the vacation year.

8. Severance Pay.
Severance pay will be paid from the S.U.B. Trust Fund regardless of the Trust Fund position and to the extent of the monies therein, and the Company shall have no further liability.

9. Seniority.
Employees continuous service will be broken following a layoff of at least one year and such employee may be terminated if, in the opinion of management, there would be no further need for the employment of such laid off employee in connection with the Company's plant for the forseeable future. Should, however, such terminated employee be rehired in the Company, then he shall reacquire the seniority status he had at the time of his termination.

10. Boiler and Engine Room Employees.
Employees in the Boiler House and Engine Room will be paid straight time for hours worked on Sundays and double time for hours worked on holidays.

11. Shift Differential.
Shift differential for 2nd shift shall be .050 per hour
" " " 3rd " . " " .075 " "

12. Issue #3 of Union proposal.
Restudy rates in question after 10 days. The Company will agree to this proposal using 20 days for the maximum instead of 10 days.

13. Issue #4 of the Union proposal.
Copy of Hospital report on injuries. The Company will provide a verifax copy of the report.

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14. Issue #16 of the Union proposal.
Bidding while on vacation. The Company will agree on this proposal.

15. Issue #22 of the Union proposal.
Withdraw last reprimand after 1 year. The Company will agree on this proposal.

16. We must state again that issues involving increased costs or loss of efficiency cannot be agreed to at this time.

17. Wages.
Reduce all incentive base rates 7½%. Increase the cap on incentive earnings to 28%.

18. Other requests and proposed changes to the Agreement.
The Company is willing to negotiate and/or compromise on a basis that should be mutually satisfactory.

19. Termination - Two year contract.

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CONTRACT BETWEEN AEROQUIP CORPORATION AND LOCAL 102, United Rubber, Cork, Linoleum & Plastic Workers of America. 1963

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It is hereby agreed by and between the AEROQUIP CORPORATION and LOCAL 102, UNITED RUBBER, CORK, LINOLEUM & PLASTIC WORKERS OF AMERICA, that upon the final closing of an agreement between the AEROQUIP CORPORATION and LEE RUBBER & TIRE CORPORATION providing for the purchase by AEROQUIP CORPORATION of the REPUBLIC RUBBER DIVISION PLANT of the LEE RUBBER & TIRE CORPORATION, the working agreement between the parties hereto shall be the terms, provisions and conditions of the working agreement between LEE RUBBER & TIRE CORPORATION and LOCAL 102, UNITED RUBBER, CORK, LINOLEUM & PLASTIC WORKERS OF AMERICA dated May 1, 1961, amended as follows:

I

ge 13 - Lunch Periods

Article II, Section 1, Paragraph 3

Eliminate entire paragraph.

Article II, Section 1, Paragraph 4

Delete entire paragraph and insert the following:

(3) Male incentive workers will be in the plant 8 hours and may take a 20 minute unpaid lunch period. Female incentive workers will be in the plant 8 hours and will take a 30 minute unpaid lunch period. They will receive 7.8 hours pay."

Article II, Section 1

Add new paragraph (4)

(4) Day workers will be in the plant 8½ hours and will take a 30 minute unpaid lunch period.

Article II, Section 1, Paragraph 6. - 6.01 - 6.02 - 6.03 - 6.04

Delete all paragraphs and insert.

(6) On continuous operations, operators will keep the operation going until relieved by the operator on the following turn. Employees on continuous operations will not shut down the operation to eat. However, they will be permitted to earn 33.3% in excess of standard on these operations.

ge 15 - Eighth Paid Holiday

Article II, Paragraph 1.01

Place a period after the phrase "Christmas Day" in the second line from the top of Page 16, and delete the words "and an eighth holiday to be designated at the start of the calendar year".

ge 16 - Boiler and Engine Room Employees

Article II, Paragraph 1.02

Delete entire paragraph and insert the following:

(1.02) Power House service is a seven-day operation and employees engaged in such occupations shall be required to work staggered shifts as heretofore. They shall be paid time and one-half for work performed in excess of 8 hours per day and 40 hours per week. Work performed on any of the seven designated holidays shall be paid for at double time. Should employees be required to work on their scheduled day off, they will be paid double time for the hours worked.

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Page 16 - Article II, Paragraph 2.01

In the fourth line after the word "the" and before the word "holidays" delete the word "eight" and insert in lieu thereof the word "seven".

Page 22 - Wages

Article III, Section 1, Paragraph (1)

Delete entire paragraph and insert the following:
The general wage scale in effect at termination of the contract expired June 30, 1963, shall remain in effect for the duration of this Agreement, subject however to a reduction of 7½% of all incentive base rates in effect under the contract expired June 30, 1963, with an earnings cap of 28% above such reduced base, except as specifically modified in Article II, Section 1, Paragraph (6) of this Agreement.

Page 22 - Shift Differentials

Article III, Section 2, Paragraph 1

In the first line delete 8¢ and insert 5¢
In the third line delete 12¢ and insert 7½¢

Page 24 - Restudy Incentive Rates

Add Paragraph 4.01 / IN EFFECT 3 OR MORE YEARS
All incentive rates/in the plant will be subject to restudy.

Page 25 - Article III, Section 3, Paragraph (8)

In 2nd and 4th lines change 18½% to 28%. Assign this paragraph number (8). 10

Page 25 - Rates

Article III, Section 3, Paragraph (8)

Change number to paragraph (9) and insert after the first sentence:
If after said 5 days the rate is claimed to be unsatisfactory, the job will be restudied within 10 working days. If the job is not restudied within said 10 days, then, thereafter the job will pay 100% of average earnings until the restudy is made. If an adjustment is found necessary, it will be the difference between the original and the restudied rate.

Page 25 - Job Evaluation

Add new Section 4
In accordance with the suggestion of Mr. Kheel in his letter to Mr. G. L. Patterson, U.R.W., dated August 9, 1963, a job evaluation program will be established.

Renumber Sections 4 - 5 - 6 - 7 to 5 - 6 - 7 - 8

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Page 25 - Off-Standard Payment

(Old Section 4)
Change title to read from "Average Earnings" to "Off-Standard Payments and Average Earnings".

Article III, Section 4, Paragraph (1)

Insert the following:
In the fifth line after the word "paid", delete the words "average earnings" and insert the words "90% of his average hourly earnings for the first week the condition exists, 95% of his average hourly earnings for a period not to exceed 3 weeks after the first week and should the condition continue beyond this 4-week period, 100% of average hourly earnings shall be paid until such condition is corrected.

Article III, Section 4, Paragraph (4)

In line 5 after the word "when" and before the word "applicable" delete the words "average earnings are" and insert the words "off-standard payment is".

In line 7 after the word "be" and before the word "applied" insert the words "used to figure the off-standard payment and will be".

Article III, Section 4, Paragraph (5)

In line 2 delete the words "average earnings"

Article III, Section 4, Paragraph (6)

In line 6 delete the words "their average hourly earnings" and insert the words "off-standard payment".

Page 27 - Pay for work time lost on injury or illness.

Article III, Section 4, Paragraph (7)

In the 3rd line delete the word "the" and insert the word "work".

In the 5th line delete the word "made" and substitute the word "taken", and add the words "or receiving subsequent treatment".

Page 29 - Reporting for work pay.

Article III, Section 5, Paragraph (5)

The last sentence "This provision will be applied by turns" will be moved up and placed after the first sentence.

Page 34 - Vacations

Article III, Section 7, Paragraphs (9) and (10)
Delete paragraphs entirely and insert:
(9) Vacation pay shall be 2% of the employee's previous year's earnings for each week of vacation to which the employee is eligible

by having worked in the current vacation year and having drawn pay in 13 or more pay periods of the previous year.

Minimum vacation pay for male employees for each week of vacation credit shall be the equivalent of 1.3% of the average of the earnings of all male employees for the preceding vacation year. Minimum vacation pay for female employees for each week of vacation credit shall be the equivalent of 1.3% of the average of the earnings of all female employees for the preceding vacation year. An employee shall be paid minimum vacation pay when such minimum is greater than his earned vacation pay computed in accordance with the provisions of Paragraph (9) above, provided the employee is eligible for a vacation as described in Paragraph (9) above.

(10) The supplementary agreement on vacation policy and procedure previously in effect shall be continued in effect and incorporated by reference as a part of this Agreement.

Page 35 - Seniority

Article IV, Section 1, Paragraph 3.01

Delete entire paragraph and insert the following:
"Any employee who has been laid off shall be placed on the Recall List and treated as follows."

Page 36 - Article IV, Section 1, Paragraph 3.01.2

Delete entire paragraph and insert the following:
An employee with three (3) or more years of continuous service shall be carried on the Recall List for three (3) years plus one (1) month for each year of service figured to the nearest half year. If the employee is rehired within such period he shall receive credit for seniority held at the time of lay-off plus credit for time on lay-off. However, credit for time on lay-off shall not exceed two (2) years.

Page 37 - Article IV, Section 1, Add Paragraph 4.01.41

Laid off for a period of three (3) years plus one (1) month for each year of service, for employees with three (3) or more years of seniority.

Article IV, Section 1, Add Paragraph 4.01.51

Absence on account of illness for a period of three (3) years plus one (1) month for each year of service, for employees with three (3) or more years of seniority.

Page 45 - Key Jobs

Article IV, Section 4, Paragraph (6)

Delete entire paragraph and insert the following:
"The following key jobs are excluded from those jobs to which employees affected by lay-off may request a trial period. However, an employee with previous experience on said job, who is subject to lay-off out of the plant, may exercise his seniority and displace an employee with less

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seniority on said job."

1. All mechanical shop employees exclusive of the labor gang and ash men in the Boiler House.
2. All clerks and planners.
3. Reinspection of finished goods in the Trimming Dept.
4. Hand hose builders in Long Hose Dept.
5. Banbury Operators.
6. Press Room jobs as listed on agreement dated 2/27/63.
7. Black Rock cutter operators in Hand Room.
8. Plastic Extruder operators in Trimming Dept.

6.10 The following jobs are subject to discussion and mutual agreement regarding their key job status.

1. Tube Machine Operators.
2. Mill Men
3. Cover Machine Operators
4. Lead Press Operators
5. Belt Building 1st man
6. Curing Press - Belt 1st man
7. Curing Press - Packing 1st man
8. Roll and Gasket Builders - Hand Room

Page 52 - Bidding during Vacation

Add new paragraph 2.01.1
2.01.1 An employee going on vacation will be permitted to leave one (1) job request on file with his department manager. If this job should become available while the employee is on vacation, this request would be considered an official job bid. If the employee should be awarded the job, he will be required to accept it upon return from vacation. Such job will be filled temporarily until his return from vacation.

Page 61 - Accident Reports

Article VI, Paragraph 14

Delete and insert the following:
The Company will provide a verifax copy of accident and injury reports to the Safety and Health Committee.

Page 61 - Nurses

Article VI, Paragraph 15

Delete entire paragraph and insert in lieu thereof -
(15) The Company will provide adequate first-aid on all turns.

Page 61 - Reprimands

Add new paragraph (17)
(17) All reprimands that are a year old, or older, and no violation has occurred within a year for the same reason as the original reprimand, shall be removed from the employees record without prejudice.

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Page 62 - Length of Contract

Article VII Termination

In the 2nd line delete the words "30th day of June, 1963" and insert the words "30th day of September, 1963".

Page 57 - Management Clause

Article V, Paragraph 2

The Company retains the sole right to manage its business, including, but by no means limited to the right to decide the number and location of plants; the machine and tool equipment; the products to be manufactured; the methods of manufacture; the schedules of work; the processes of manufacturing or assembling, together with all designing, engineering, the control of raw materials and the manner of storing and handling materials; to maintain order and efficiency in its plants and operations; to hire, lay off, assign, transfer and promote employees; to determine the starting and quitting time and the number of hours to be worked, including overtime hours; to suspend, discharge or otherwise discipline an employee for violation of rules or for other proper and just cause, provided, however, that none of these rights shall be exercised in a manner inconsistent with the other terms and provisions of this agreement.

S.U.B. Separation Payment

S.U.B. Agreement Article XII, Section 5, Page 29

Delete paragraph (a) and (b) and insert the following:

Separation payments shall be payable from the Fund only and to the extent of the monies therein. The amount of all Separation Payments so paid from the Fund shall be deducted from the value of the assets of the Fund for purposes of computing Trust Fund position and the Company shall have no further liability.

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II

As a further mutual consideration herein, both parties agree to waive the right to reopen for negotiation the Employees' Welfare Benefit contract as provided in Paragraph 4 of Part 7 of that contract.

III

It is a further consideration of this contract that the AEROQUIP CORPORATION shall assume the full liability of the LEE RUBBER & TIRE CORPORATION under the existing Employee Welfare Benefit Programs and the Supplemental Unemployment Benefits Plan.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this _____ day of _____, 1963.

UNITED RUBBER, CORK, LINOLEUM & PLASTIC WORKERS OF AMERICA. LOCAL NO. 102

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AEROQUIP CORPORATION

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International Representative

113A

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This agreement made and entered into this (Oct. 31, 1963) (Dec. 21, 1963), 1963 by and between Aeroquip Corporation, Republic Rubber Division, Youngstown, Ohio, hereinafter referred to as the Company, and Local Union Number 102 of the United Rubber, Cork, Linoleum and Plastic Workers of America, hereinafter referred to as the Union.

WITNESSETH: Whereas it is the desire of the parties to promote mutual co-operation and harmony and to formulate rules for the guidance of the parties, now therefore, the parties hereto agree as follows:

ARTICLE I

SECTION 1.

PARTIES TO AGREEMENT

(1) Local Union 102 of the United Rubber, Cork, Linoleum and Plastic Workers of America has been designated for the purpose of collective bargaining for the employees of the Company's Youngstown Plant located in Youngstown, Ohio, in the following appropriate unit.

(2) All of the hourly and piece work production and maintenance employees of Aeroquip Corporation, Republic Rubber Division, including the inspectors, factory clerical workers, laboratory testers, excluding general office workers, foremen, assistant foremen, heads of the experimental research department, salaried chemists, timestudy men. Local 102 shall be the exclusive representative of all the employees in said unit for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment.

(3) All employees covered by this agreement who have completed their probationary period of eight weeks or who shall hereafter complete their probationary period (eight weeks) shall establish and maintain good standing membership in the Union as a condition of continued employment.

(4) The Company shall deduct from the first pay of each month the Union dues, fines, and assessments as may be established by the Union and remit such amounts due to the bonded officer (Treasurer) of Local 102, URCLPW of America, immediately with a list of the employees from whom the deductions were made. Such deduction of dues, fines, and assessments shall represent payment for the current month. In the event a member does not draw a pay on the check-off date, the Company, upon notification, will deduct his delinquent dues the following month. The Union agrees to save the Company harmless from any liability due to any dispute arising out of the application of this provision.

(5) It shall be the duty of the Union to furnish to the Company properly signed voluntary deduction authorization from individual employees, in compliance with existing laws. Such authorizations shall be irrevocable for a period of one year from date of execution or until the termination date of this agreement, whichever occurs first, after which date assignment and authorization may be revoked upon written notices being delivered by registered mail to both the Company and the Union.

SECTION 2.

BARGAINING PROCEDURE

(1) Meetings between the Company's representatives and the Union's Bargaining Committee shall be held when requested by either party, and at a time mutually agreed to by the parties, but not later than 2:00 P.M.

If the Union requests the meeting it shall be held at no cost to the Company but if the meeting is at the request of the Company the management shall pay each member of the Committee their average hourly rate for lost work time involved.

(2) Employees may discuss with their shift or department foreman any problem arising in connection with their work. However, any employee who wishes to enter a grievance over any matter shall follow the procedure listed below.

(3) The grievance shall be reduced to writing in quadruplicate, on a form provided by the Company, and signed by the employee. The grievance shall be presented to the employee's shift or department foreman at a time mutually agreed upon and such meeting shall be attended by an employee involved in the grievance and one Union representative. The Foreman shall record his reply on the grievance form and return two copies to the Union representative within two (2) working days of the time it is presented to him.

(3.01) Stewards may discuss any problem with the Department Manager but only at a time mutually agreed upon and such meeting will be held within 24 hours - except when a holiday or a weekend intervenes.

(4) If the matter has not been satisfactorily adjusted it may be presented to the Company's Industrial Relations Department by the Plant Grievance Committee or by the Division Chairman in company with either the affected Union Steward or another Union Officer at a meeting scheduled for that purpose. The meeting shall be held at a date mutually agreeable to the parties but not at a time later than 2:00 P.M. A representative of the U.R.C.L. & P.W. of A. may be present at this meeting, or any subsequent meeting.

(5) The decision of the Company will be given in writing within 5 working days. Unless an additional meeting between the parties, for the purpose of introducing new evidence or bringing in a representative of the U.R.C.L. & P.W. of A., is requested within 10 days thereafter this decision shall represent the final position of the Company under the grievance procedure. In the event a second meeting is requested, the Company will again state its position in writing and such reply shall be final.

(6) When written grievances have been satisfactorily settled through negotiations, at the request of either party such settlement shall be reduced to writing and signed by the representatives of the parties who effected the settlement. Any adjustment made in settlement betweeen the Company and the Union of grievance involving piece work rates, allowances and day work rates shall be effective as of the date the written grievance is presented unless otherwise mutually agreed, but in no case to exceed sixty (60) days. The 60 days limitation will not apply in case of error on the part of the Company.

(7) Executive Officers, Division Chairman and Department Representatives may contact persons outside their department in the interest of handling grievances and complaints requiring immediate attention after arranging with

their foreman to leave their job. In such cases payment will be made for lost work time. Permission will be given to make contact on other Union business if necessary, but without pay for time lost.

(8) Any work time lost by Union Officers or Stewards in processing written grievances in accordance with the steps listed above shall be paid for by the management at the employee's average hourly earnings.

SECTION 3.

ARBITRATION

(1) In the event that disputes or grievances, except those involving general or departmental wage increases or decreases, have not been adjusted to the satisfaction of the parties as outlined elsewhere herein, then such unsettled grievances or disputes may be submitted to a board of arbitration in the following manner.

(2) The party so desiring arbitration shall, within 30 days of the date of the Company's final reply made under the grievance procedure, frame the question to be arbitrated, referring specifically to the provision to be interpreted, or the provision which has been allegedly misapplied wherever applicable, notify the other party in writing, and within five days the Union shall designate its representative and the Company shall designate its representative. These two shall mutually select the third member of the Board. In the event that the third member cannot be mutually agreed upon within ten days after filing of notice to arbitrate, then the two arbitrators shall jointly request the AMERICAN ARBITRATION ASSOCIATION, 9 Rockefeller Plaza, New York, N. Y., to appoint the Chairman of the Board of Arbitration.

(3) Each party shall be responsible for the cost of its arbitrator and shall share equally the cost of the third arbitrator.

Payment will be made to Union Officers presenting the case, but not to arbitration Board Member or witnesses, for the turn during which the hearing is held if lost work-time is involved.

(4) A majority decision of the Board shall be rendered within 10 days of the submission of all evidence and shall be final and binding upon both parties.

The Board in rendering its decision shall be confined strictly to the question as framed and/or to applying the terms of this Agreement wherever applicable. However, the Board shall have no authority to add to, deduct from, or in any manner change the provisions of this Agreement.

(5) In the event either party refuses to submit an issue to arbitration within 10 days after the filing of the notice to arbitrate, then such refusal to arbitrate shall effect a default in favor of the other party.

SECTION 4.

NO STRIKE PROVISION

(1) The Union agrees that it will not encourage, sanction or approve any strike, stoppage,, slow-down or other interruption of work over any matter subject to arbitration while this agreement is in force and effect. The Union

further agrees that in the event employees should engage in any activities which interfere with the Company's normal operations, it will, as soon as possible after being informed by the Company that such activities exist, take reasonable action to induce employees engaging in such activities to resume work in a normal manner. The Company agrees that there will be no lockout during the term of this agreement.

(2) It is understood and agreed that there shall be no liability on the part of the International Union, the Local Union or any of their officers or agents by reason of an unauthorized strike, stoppage, slow-down or other interruption of work by employees during the life of this agreement. In the event there is an unauthorized strike, stoppage, slow-down, or other interruption of work by employees during the life of this agreement, the Company may impose disciplinary measures upon the employees responsible therefor in accordance with the provisions of this agreement.

(3) If any of the acts prohibited above occur during the term of this agreement, the parties shall not discuss nor negotiate, nor shall a Board of Arbitration or arbitrator hear or rule on any problem or grievance related to such acts until such time as the prohibited acts are discontinued.

SECTION 5.

DISCHARGES

(1) Any employee who feels that he has been unjustly discharged shall make written grievance. Such grievance shall be presented to the Industrial Relations Manager by the Union's accredited representative within four working days of the time of discharge. Should it be found that the discharge was unjust, the employee shall be reinstated with back pay for time lost.

(2) Before any employee is discharged or disciplined, following his probationary period, he shall be given a hearing by the Department Manager at which time a Union representative and executive officer will be present. A written copy of the charge or charges will be given the Union at the time of the hearing.

ARTICLE II

HOURS OF WORK, PREMIUM PAY & SPECIAL PAY

SECTION 1.

HOURS OF WORK

(1) Eight consecutive hours in any twenty-four hour period shall constitute a standard work day and five consecutive eight-hour days, beginning with the employee's starting time on Monday, shall constitute a standard work week. No change will be made in the hours worked by the factory or any individual department without negotiation with the Union.

1.01 Unless otherwise mutually agreed, five hour shifts will be worked on the day prior to New Year's.

(2) Employees shall not

2.01 enter the plant more than twenty minutes prior to their scheduled starting time,

2.02 commence work before actual starting time,

2.03 leave his department before proper time to end his shift or,

2.04 to ring the clock card of another employee, either in or out.

(3) Male incentive workers will be in the plant 8 hours and may take a 20 minute unpaid lunch period. Female incentive workers will be in the plant 8 hours and will take a 30 minute unpaid lunch period. Such female employees will receive 7.8 hours pay.

(4) Day workers will be in the plant 8½ hours and will take a 30 minute unpaid lunch period.

(5) The prevailing practice covering setting piecework rates provides adequate allowance for lunch and other personal time and will be continued. Female pieceworkers must take thirty (30) minutes for lunch after five (5) hours.

(6) On continuous operations, operators will keep the operation going until relieved by the operator on the following turn. Employees on continuous operations will not shut down the operation to eat. However, they will be permitted to earn 33.3% in excess of standard on these operations.

SECTION 2.

OVERTIME PROVISIONS

(1) All time worked in excess of the standard work day or the standard work week and time worked between 10:50 P.M. on Saturday and 6:50 A.M. on Sunday and between 10:50 P.M. on the day preceding any of the holidays listed below and 6:50 A.M. on the holiday shall be paid for at the rate of time and one-half.

(2) Employees required to work in excess of eight hours in any twenty-four hour period due to shift changes voluntarily made to accommodate the employee or employees, shall not be paid in excess of the straight time rate for such excess time worked except if the excess time worked is worked on Sunday or a holiday as defined in Article II, Section 3, Paragraph 1.01 of this Agreement.

(3) Eight hours must elapse after the standard day is worked before additional hours are worked in a twenty-four hour period.

(4) All employees in a department performing substantially equivalent work shall, unless sick or absent, receive an equal division of overtime hours so far as it is practical to do so.

4.01 A chart will be kept in each department office for the purpose of recording overtime hours worked. Unscheduled overtime refused by an employee will be charged to him as worked, except when such unscheduled overtime is for weekend work. Scheduled overtime will be worked and such schedule will be posted not later than the end of the 1st turn on Thursday.

(5) Overtime payment shall be made on a daily or weekly basis, whichever is the higher, but not on both.

(6) Any employee who loses time because of not being scheduled to work on any of the holidays named in paragraph (1.01) of Section 3 below, shall be credited with a normal day worked for the purpose of computing overtime after 40 hours.

SECTION 3.

SUNDAY & HOLIDAY PAY

(1) Holidays Worked & Sunday Worked

1.01 Work performed between 6:50 A.M. on Sunday and 6:50 A.M. on Monday and between 6:50 A.M. on any of the following named holidays and 6:50 A.M. of the day following the holidays shall be paid for at the rate of double time: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the last scheduled work day before Christmas Day and Christmas Day.

1.02 Power House service is a seven-day operation and employees engaged in such occupations shall be required to work staggered shifts as heretofore. They shall be paid time and one-half for work performed in excess of 8 hours per day and 40 hours per week. Work performed on any of the seven designated holidays shall be paid for at double time. Should employees be required to work on their scheduled day off, they will be paid double time for the hours worked.

1.03 When any of the above holidays fall on Sunday, the day observed shall be considered a holiday and shall be compensated for in the above manner.

(2) Holidays Not Worked.

2.01 Subject to the following requirements and conditions the Company will pay, at straight time, to each employee who does not perform work for the Company on any of the seven holidays listed above an amount equivalent to the number of hours in the employee's regular work shift for the week in which the holiday occurs multiplied by his individual hourly rate or by his average hourly earnings for the latest available pay period.

2.02 Employees who work on a holiday shall be paid under the provisions of Section 3, Paragraph (1.01) above, and in addition, shall receive any holiday pay for which they qualify under Paragraph (2.01) of the same section.

2.03 To be eligible for such holiday pay the employee must work his last regularly scheduled shift prior to and his first scheduled shift after the holiday, except as specified hereafter. Employees who are laid-off, begin an illness or start a leave of absence the day following a holiday, or prior thereto within the holiday week or the preceding week will qualify for holiday pay provided the illness is substantiated by satisfactory medical evidence. An employee qualified for payment for the two preceding holidays will be paid for New Year's Day also.

2.04 Notwithstanding paragraph (2.03) above the qualifying period for the holiday designated as "the last working day before Christmas" will be ten working days prior thereto.

2.05 Employees working on jobs which by the nature thereof must be continued in operation on a seven (7) day basis and who rotate thereon shall be paid holiday pay if the holiday falls on their regularly scheduled day off. If such employees are scheduled to work on a holiday and absent themselves from work, they shall not receive holiday pay.

2.06 An employee who accepts work assignment on a holiday and any employee whose regular work assignment requires him to work on a holiday and who absents himself on that day will not be eligible for holiday pay.

2.07 An employee who, having been laid off or who was on an approved leave of absence, returns to work on the day following a holiday will be eligible for holiday pay.

2.08 An employee who is absent due to injury sustained in the plant will be elibible for holiday pay, less any amount the injured employee is receiving under the Workman's Compensation Laws of Ohio.

2.09 An employee who is on his vacation during a week in which a holiday occurs will receive extra pay for the holiday but will not receive an extra day of vacation in lieu of the holiday.

2.10 An employee who works less than a regularly scheduled shift on a holiday will be paid double time for hours actually worked and in addition, employee shall receive straight time for the entire shift, provided he qualifies under the provisions of paragraph (2.01) above.

SECTION 4.

PAY FOR SIXTH DAY

(1) Compensation at the rate of one and one-half (1½) times the regular rate of pay shall be paid for all work performed on the sixth (6) day worked in any regularly scheduled work week regardless of the total number of hours worked during the preceding five (5) days, provided, however, the employee has not absented himself on any previous day for personal reasons. Jury duty, appearance in any court of law, draft board summons, URCLPW Union activities with the Company, lack of work, death in immediate family (employee's wife, husband, blood relative of his or her spouse, guardian or ward) and injury within the plant shall not be considered "personal reason." Absence for an unusual cause will be given consideration upon request of the employee. Credit will not be given for absence due to personal illness unless such illness is substantiated by a doctor's certificate, except that limited to three such occurences within a calendar year, credit will be given for personal absence not so substantiated, provided the employee has reported off. An employee who becomes ill on the job will be credited with a full day worked. When a day is lost before the announcement of Saturday work, it will be an excused absence.

SECTION 5.

SPECIAL PAY

(1) Jury Duty.

1.01 An employee, on presentation of the proper evidence that he is serving

on jury duty, shall receive an amount equal to the difference between his regular daily earnings and his jury duty fee when the employee is absent on any scheduled work day because of such service.

1.01.1 When an employee, who is on a jury panel, reports for work, for two or more consecutive days, because he has been released from jury duty during the term, then the employee who has been brought in to replace him may be laid off without a three day notice.

(2.) Military Encampment Pay.

2.01 An employee with one (1) or more years' seniority who is a member of a reserve component of the armed forces who is required to enter upon active annual training duty shall be paid the difference between the amount of pay he received from the Federal or State Government for such duty and normal weekly earnings (average straight time hourly rate if on piecework or hourly rate if on day work multiplied by the number of hours in the normal week on his job) for lost time while on such duty up to a maximum period of two (2) weeks per year, or the equivalent thereof not to exceed a two year period. Such items as subsistence, rental and travel allowance shall not be included in determining pay received from the Government. Payment will be made upon receipt of official notice, showing period of service and amount received.

(3) Funeral Pay.

3.01 An employee, who has completed his or her probationary period, and who is absent from work to attend the funeral of his or her parent, mother-in-law, father-in-law, brother, sister, child, spouse, or a dependent living in his or her household, may be absent without loss of pay for work time lost by reason of such funeral during a period starting with the date of death to and including the day following burial, but in no event to exceed three (3) days.

(4) Physical Examination.

4.01 Employees examined on the turn on which they are to start to work will be paid for time lost from work due to such examination.

4.02 Employees undergoing a physical examination required by the Company shall not be charged for such examination. The cost of such examination in all cases will be paid by the Company.

(5) Taking Inventory.

5.01 The rate for taking the annual inventory shall be paid in the following manner:

5.01.1 Day workers engaged shall receive their own day work rate.

5.01.2 All male pieceworkers engaged will be paid a rate of $2.736 per hour for time spent in taking the annual inventory.

5.01.3 All female pieceworkers will be paid a rate of $2.286 per hour for time spent in taking the annual inventory.

5.02 Each department will select for this work the senior serviced employees qualified by reason of knowledge of the product.

ARTICLE III

RATES OF PAY AND VACATION PAY

SECTION 1.

HIRING AND MINIMUM RATES

(1) The general wage scale in effect at termination of the contract expired June 30, 1963, shall remain in effect for the duration of this Agreement, subject however to a reduction of 7½% of all incentive base rates in effect under the contract expired June 30, 1963, with an earnings cap of 28% above such reduced base, except as specifically modified in Article II, Section 1, Paragraph (6) of this Agreement.

(2) For men the hiring rate will be $2.222 per hour; minimum after eight weeks $2.317 per hour and after six months $2.347 per hour.

(3) For women the hiring rate will be $2.042 per hour; minimum after eight weeks $2.147 per hour and after six months $2.217 per hour.

(4) Individual hourly rates shall be a proper subject for negotiation.

SECTION 2.

SHIFT DIFFERENTIALS

(1) A differential of 5¢ per hour will be paid for all work performed on the second (afternoon) shift and 7½¢ per hour for all work performed on the third (night) shift. The amount of differential shall be determined by the shift on which the employee is scheduled to start to work, except an employee who works overtime shall be paid, for the overtime hours, the differential applying to the shift on which the overtime starts.

(2) Employees who start to work between the hours of 5:00 A.M. and 12:00 Noon shall be considered working on the first (day) shift, those starting between 12:00 Noon and 8:00 P.M. shall be considered working on the second (afternoon) shift, and those starting between 8:00 P.M. and 5:00 A.M. shall be considered working the third (night) shift.

(3) Employees who are scheduled to start work after 8:00 A.M. and before 12:00 Noon will be paid the second shift differential for all hours worked beyond 2:50 P.M.

SECTION 3.

PIECE WORK RATES

(1) Piece-work rates will be established on new items, wherever practical, after sufficient time studies have been made. Rates will be set so that the

average experienced operator using all normal skill and working with consistent average effort will earn per hour the standard rate established for the job.

(2) It is agreed that most experienced operators because of extra skill and effort will earn in excess of the standard and, in making time studies, full credit shall be given to the operator studied for skill and effort shown in excess of the average, thus resulting in hourly earnings to such operators above the standard.

(3) During the development and time study periods, the experienced operator will be paid his past average hourly earnings.

(4) When a change is made in methods, operations, equipment, materials, customers' specifications and requirements and any changes made necessary to keep up with new developments and equipment to keep the Company competitive, the job will be restudied. If the change warrants a new rate it will conform in effort and earnings to the rate replaced. Operators will be paid average earnings during the development and time study period. The Union's Departmental representative shall be advised of such contemplated adjustments.

4.01 All incentive rates in the plant will be subject to restudy.

(5) When new or revised piecework rates are to be put in use the Union Steward will sign his name on the rate sheet solely for the purpose of acknowledging that he is aware the rate is in use.

(6) It is recognized that there may be errors made in originally setting piecework rates or that there are minor changes in operating or stock conditions that take place over a period of time after the rate has been established.

(7) When the average of the earnings of all experienced operators on any job run lower than the standard rate set for the job, over a four week period, the operation shall be restudied and rates adjusted. No adjustments will be made until the matter has first been called to the attention of the Plant Grievance Committee.

(8) When the average piecework earnings of any individual exceed 28% over the standard of the job for a two week pay period, any earnings in excess of 28% will not be paid. The total amount of money not paid will be reported to the Union quarterly.

(9) There shall be no changes made in piecework rates after adoption until after the rate has been worked on five (5) days under normal conditions. If after said 5 days the rate is claimed to be unsatisfactory, the job will be restudied within 10 working days. If the job is not restudied within said 10 days, then, thereafter the job will pay 100% of average earnings until the restudy is made. If an adjustment is found necessary, it will be the difference between the original and the restudied rate. A day, within the meaning of this paragraph, shall be one or more turns or any part thereof. In cases where it is fairly obvious an error has been made, the correction will be made immediately. New rates shall be given a fair trial by employees without any slow-down to reduce their earnings during the trial period.

SECTION 4.

JOB EVALUATION

(1) It is hereby agreed that the Company shall have the right to put into effect a job evaluation program in order that operations may be put on a competitive basis. The ground rules for such job evaluation program and for the new system of compensation based on such job evaluation program shall be formulated by an industrial engineer or firm of industrial engineers selected and retained by the Company, subject to review by a Union-Management Committee of 4 or 6 members, on which Union and Management shall have equal representation.

(2) In case of any dispute as to the ground rules for job evaluation and the resulting system of compensation, such dispute shall be submitted to a reputable, competent, independent industrial engineering firm selected by the American Arbitration Association. The decision of the independent industrial engineer shall be accepted by both parties and the cost of such engineer shall be shared equally by the Company and the Union.

(3) Members of the Union-Management Committee will be paid average hourly earnings for work time lost while attending meetings on the Union-Management Committee.

SECTION 5.

OFF STANDARD PAYMENTS & AVERAGE EARNINGS

(1) When, because of abnormal condition of stock or equipment, or waiting for stock or equipment to complete the operation being performed, an operator's production is retarded, he shall be paid 90% of his average hourly earnings for the first week the condition exists, 95% of his average hourly earnings for a period not to exceed 3 weeks after the first week and should the condition continue beyond this 4-week period, 100% of average hourly earnings shall be paid until such condition is corrected; provided the employee notifies the foreman or supervisor at the start of the delay, and provided further that the delay or delays cause the employee's earnings for the day to drop below his normal average earnings despite his compliance with paragraph (5) of this Section 5.

(2) The expression, "waiting for equipment" as applied to the Press Room refers to loss in earnings due to the removal of a mold from the line during the turn, and payment will be based upon:

2.01 production actually lost from that mold until a mold is returned to the line,

2.02 the cure time of the remaining mold or molds in the line is changed to allow him to maintain his earnings, or

2.03 he is given another mold in an adjacent line.

(3) The past average earnings as referred to in this Agreement shall be the employee's latest available pay period record and such average earnings shall mean the average normal piecework earnings while working on his regular job. Any exception to this paragraph will be a matter for negotiation at the time. The

average earnings of all employees in the department as of the latest available pay period record shall be maintained in each foreman's office and shall be available to a duly constituted representative of the Union.

(4) Employees transferred from another department, shall during the first pay period in the new department, or a longer period if necessary to establish an average; be paid the plant minimum rate when off-standard payment is applicable, and at the end of the pay period the actual piecework average attained will be used to figure the off-standard payment and will be applied retroactively.

(5) It is understood and agreed that employees, when paid under any of the conditions covered by this Article III, are expected to stay on the job and produce with their normal incentive effort.

(6) When employees lose time due to a power interruption, lights off, electrical or mechanical breakdown, there shall be no payment for less than twelve minutes. If the delay is for twelve minutes or more, the employees will be paid at off standard payment for the first hour, or any part thereof, and at their day-rate after the first hour. The employee will do any work assigned to him by the foreman during the delay.

(7) When employees are injured or become ill on the job and require first aid they shall be paid for work time lost, at their past average earnings, while receiving first aid treatment or having x-ray pictures taken, or receiving subsequent treatment, whether on the Company's premises or elsewhere when ordered by the Company. If the employee, after reporting to the Company's hospital, is unable to continue at work, payment will be made for the balance of the shift, but only if the employee furnishes satisfactory medical evidence of illness or injury and that such injury or illness is directly or indirectly due to his occupation.

(8) When a member of a crew is absent, nor to exceed 8 hours, on Union business with the Company, the earnings of other members of the crew will be maintained for the hours of such absence unless the Company furnishes a qualified substitute, and provided the employee reports his intended absence in advance whenever it is possible.

(9) Employees in the lead area, who are taken off their jobs and assigned to other work, as a result of physical examination which discloses any condition that should not be kept in close association with lead operation, will be paid past average earnings for a period not to exceed 10 days.

(10) Employees entitled to payment for wage impairment under the Workman's Compensation Law will receive such payment simultaneously with pay check covering the same period of time.

SECTION 6.

REPORTING FOR WORK PAY

(1) Any employee who reports for work on his regular turn, unless he has been notified not to report, and does not receive four hours' work, if on the first or second turn or eight hours if on the third turn, shall be paid an allowance equivalent to four or eight hours' work respectively at regular rate of pay. However, no allowance will be made if the employee refuses to perform work other than his regular operation, subject to the provisions of this contract as to rates of pay.

(2) This allowance will not be made if every effort was made to notify the employee but it was found that he had not advised the Employment Department of a change of address.

(3) If the employee accepts an offer to work another shift, he shall be paid one hour at regular day rate for reporting on regular shift.

(4) No Reporting for Work allowance will be made in case of major breakdown of equipment, fires or other causes substantially affecting the normal operation of the plant, or of a department, provided the Company shall make every effort which is reasonable under the circumstances to notfy affected employees when such interruption occurs before their reporting for work time.

(5) When any regular production work is to be done during a major interference with normal operation, such work will be done on the first day by the employees who regularly do the work. This provision will be applied by turns. Should the interference continue beyond one day, then such work shall be assigned to the senior employees of the department who have had previous experience on the work to be performed.

SECTION 7.

TRANSFER PAY

(1) When an employee is required by the Company to transfer temporarily from his regular operation to another operation where the rate of pay is higher, the employee shall receive the higher rate of pay, and if required by the Company to transfer temporarily to an operation where the rate of pay is less than the employee's regular rate, the employee shall receive his or her regular rate of pay.

(2) When an employee transfers to another job in his department, as a result of a bid, he will receive the plant minimum or his piece work earnings whichever is higher if it is a piece work job. If the transfer is to a day work job he will receive the plant minimum for the first week, 90% of the full rate for the next ten (10) working days and the rate of the job thereafter. Should the employee perform the entire job satisfactorily before the end of 15 days, he may be advanced more rapidly. Work on both types of job will be subject to the qualifying provision.

(3) When the transferred employee is a member of a crew, the average earnings of the remaining members will be maintained for the full day if they continue on their regular job. If unable to perform the work because of the transfer, they will be given a choice of other available work and will be paid average earnings for four hours and rate of the job assigned thereafter.

(4) When an employee whose work temporarily runs out is assigned to other employment on which there is an established day work rate, he (or she) will receive the rate of such job.

(5) When an employee, upon being transferred to another department, is placed on piecework operation where, because of no rates, he is unable to establish a piecework average, he shall be paid 90% of the normal earnings of the job for the first week and not less than other employees with whom he may be working thereafter. If the earnings are on a crew basis, the 90% for the first week will be figured on the percentage applicable to his position in the crew.

(6) When an employee is transferred from another department, due to lay-off, and is assigned to a day work operation, he shall receive the plant minimum for the first week. If retained on the job, he will be paid 90% of the rate of the job for the next 10 working days and the rate of the job thereafter. However, if an employee is assigned to a day work job which pays 15% or less above the plant minimum, he will be paid the plant minimum for the first week and a rate halfway between the plant minimum and the rate of the job for the second week and the rate of the job thereafter. An employee who has previously attained the full rate on the job will receive the rate of the job immediately.

(7) When an employee is transferred to another department due to lay off or by request, and is assigned to a piece work operation; he will be paid the plant minimum or his piece work earnings, whichever is higher.

SECTION 8.

VACATIONS

(1) For the purpose of establishing service records for vacations, any time lost for reasons other than lay-off, illness of the employee, or absence while in the Armed Forces of the United States during the period of war emergency will be deducted and the service record, for vacation, changed accordingly.

(2) The vacation period shall be from January 1st to December 31st.

(3) The plant will be shut down during the two weeks which include the last pay period starting in July. Such period shall be designated as comprising a voluntary vacation period for all employees who are eligible for a vacation. For any portion of such period as an employee is not eligible for a vacation, he will be considered to have been laid off.

(4) So far as it is practicable, any additional weeks of vacation for which an employee may be eligible will be given at a time most desired by the employee. For these additional weeks only, a vacation selection sheet will be posted by April 1st, and in order to receive consideration for preference in vacation weeks to which the employee may be entitled in addition to those described in paragraph (3) above, a selection must be made by May 1st.

(5) The Management reserves the right to arrange such vacations so as best to insure the orderly and efficient operation of the plant. Any time off for vacation prior to May 1st will be on a voluntary basis.

(6) All employees must take their vacations except that:

6.01 employees who have lost time from their work because of extended illness may be granted vacation pay in lieu of vacation. They shall receive such vacation pay in December before Christmas.

6.02 Employees compelled by the Pension Agreement to retire on the first of February of any year will not be required to take a vacation in January of that year. Payment for vacation will be made at time of retirement.

(7) Employees, who, by January 1st have accumulated one year of vacation service, as defined above, shall be eligible for one week's vacation. Similarly, employees who have accumulated 3 years of vacation service shall be eligible for

2 weeks' vacation, employees who have accumulated 10 years of vacation service shall be eligible for 3 weeks' vacation and employees who have accumulated 22 years of vacation service shall be eligible for 4 weeks' vacation.

(8) Employees who accumulate their first year of vacation service between January 1st and December 31st will become eligible for one week's vacation upon actual completion of the twelve months service if actively at work on that date, or upon return to work thereafter for a period of thirty days, unless laid off before the end of thirty days, provided they drew pay for 13 or more pay periods of the said twelve months. Employees who accumulate 3 years of vacation service; employees who accumulate 10 years of vacation service and employees who accumulate 22 years of vacation service between January 1st and December 31st will become eligible for two weeks, three weeks and four weeks respectively upon actual completion of 3, 10 or 22 years' service.

(9) Vacation pay shall be 2% of the employee's previous year's earnings for each week of vacation to which the employee is eligible by having worked in the current vacation year and having drawn pay in 13 or more pay periods of the previous year.

Minimum vacation pay for male employees for each week of vacation credit shall be the equivalent of 1.3% of the average of the earnings of all male employees for the preceding vacation year. Minimum vacation pay for female employees for each week of vacation credit shall be the equivalent of 1.3% of the average of the earnings of all female employees for the preceding vacation year. An employee shall be paid minimum vacation pay when such minimum is greater than his earned vacation pay computed in accordance with the provisions of Paragraph (9) above, provided the employee is eligible for a vacation as described in Paragraph (9) above.

(10) The supplementary agreement on vacation policy and procedure previously in effect shall be continued in effect and incorporated by reference as part of this Agreement.

(11) In the event an employee is on vacation and it becomes necessary for him to attend the funeral of a relative as provided in Art. II Sec. 5 Para. 3.01, the vacation schedule will be extended by the number of days he is eligible for payment under said section; provided he notifies his foreman promptly of the funeral and in sufficient time to permit the foreman to secure a replacement.

ARTICLE IV

APPLICATION OF SENIORITY

SECTION 1.

SENIORITY

(1) Definition.

1.01 Seniority is continuous service with the Company less time lost by reason of any of the interruptions listed under paragraph (3) of this Section 1.

(2) Seniority Established.

2.01 Present Employees

The seniority of present employees shall depend upon the length of their continuous service as previously agreed upon between the Company and the Union and reflected in the record of continuous service now on file in the Employment Department of the Company.

2.02 New Employees

When a new employee has completed an accumulated eight weeks probationary period with the Company in any twelve month period, his service for the purpose of seniority shall be computed from the hiring date.

(3) Seniority Interrupted.

3.01 Any employee who has been laid off shall be placed on the Recall List and treated as follows:

3.01.1 An employee with less than three (3) years of seniority when laid off shall be carried on the recall list for two (2) years thereafter and if rehired within such two (2) year period shall receive credit for seniority held at time of layoff, plus seniority credit for time laid off, not to exceed six (6) months.

3.01.2 An employee with three (3) or more years of continuous service shall be carried on the Recall List for three (3) years plus one (1) month for each year of service figured to the nearest half year. If the employee is rehired within such period he shall receive credit for seniority held at the time of lay-off plus credit for time on lay-off. However, credit for time on lay-off shall not exceed two (2) years.

3.02 The seniority of an employee who is absent because of extended illness will be treated as provided in paragraphs 3.01.1 and 3.01.2, effective with the first day of such absence.

3.03 No Employee shall lose his seniority by accepting work with the Company outside the bargaining unit, and if he thereafter returns to the bargaining unit he shall have the seniority he had at the time he accepted such work, it being understood that he shall not accumulate seniority while outside the bargaining unit after May 1, 1959. Notwithstanding this provision, seniority, as it affects eligibility for vacation and determination of Continuous Service under the Pension Plan shall also accumulate during time spent on work with the Company outside the bargaining unit after May 1, 1959.

(4) Seniority Lost.

4.01 Seniority shall be broken by any of the following causes:

4.01.1 Voluntary separation,

4.01.2 Discharge for just cause,

4.01.3 Absence exceeding the period for which leave of absence is granted.

4.01.4 Laid off for a period of two (2) years for employees with less than three (3) years' seniority,

4.01.41 Laid off for a period of three (3) years plus one (1) month for each year of service, for employees with three (3) or more years of seniority,

4.01.5 Absence on account of illness for a period of more than two (2) years, for employees with less than three (3) years of seniority,

4.01.51 Absence on account of illness for a period of three (3) years plus one (1) month for each year of service, for employees with three (3) or more years of seniority,

4.01.6 Failure to comply with the recall provision of this Agreement, Article IV, Section 3, Paragraph 6.

(5) Departmental Seniority.

5.01 Seniority, as it affects certain rights within a department, is referred to in this Agreement as Departmental Seniority.

(6) Departmental Seniority Established.

6.01 To establish departmental seniority an employee must accumulate 90 calendar days in that department, including all days prior to the time he is scheduled to work in another department or the first work day he is laid off out of the plant.

6.02 Departmental seniority of an employee returning to a department under the conditions covered by Paragraph 2.01, Section 6, Article IV, will be established at once.

6.03 Having established departmental seniority in accordance with paragraph (6.01) or (6.02) above, any time spent in other departments, will be cancelled for the purpose of establishing departmental seniority.

(7) Departmental Seniority Lost.

7.01 When an employee establishes departmental seniority in accordance with Paragraph (6) above, he loses the departmental seniority he holds in any other department.

(8) Miscellaneous.

8.01 No new help shall be hired by the Company until laid off employees, as qualified by seniority to perform the job available, have been given an opportunity to return to work.

8.02 The Company will maintain an up-to-date seniority list in the Employment Department and agrees to keep the Union's list revised upon request.

8.03 The Company agrees to have a list of all laid-off employees with seniority which list can be checked by the assigned representatives of the Union at specific times to be agreed upon.

SECTION 2.

LAY-OFFS

(1) For the purpose of this Agreement, lay-offs shall be classified either as temporary or indefinite. A temporary lay-off shall be one which is effective for an expected period not to exceed five working days; an indefinite lay-off shall be one of longer duration.

(2) In making temporary lay-offs departmental seniority alone shall prevail. ← (D)

(3) In case a lay-off which at its beginning appeared would be one of not more than five days, lasts for a longer period, it shall at the end of the five days' period unless mutually agreed otherwise, be treated as an indefinite lay-off and handled accordingly.

(4) In the case of an indefinite lay-off, plant-wide seniority shall prevail for employees with three years or more seniority; for those with less than three years of seniority; departmental seniority shall prevail.

(5) Lay-offs will be made in the following order:

5.01 employees in the department who have less than ninety (90) days' service with the Company;

5.02 transferred employees with less than ninety (90) days' service in the department, on the basis of seniority;

5.03 other employees, on the basis of seniority.

(6) In the case of an indefinite lay-off, the Company shall place affected employees with three or more years' seniority somewhere in the plant, without loss of time, provided the employee accepts work in the department of the employee whom he is entitled to displace, which shall be the employee having the least service in the plant and, provided further, that such placement can be made without causing the employee to work more than 8 hours in any 24 hour period. However, if it is necessary to place an employee on another shift and in doing so the employee would lose a shift's work; it shall not be considered as lost time within the meaning of this paragraph.

(7) In the case of an indefinite lay-off, employees with one year, but less than three years, of seniority shall be given an opportunity to replace employees elsewhere in the plant having less than three (3) months' service.

(8) Unless prohibited by conditions beyond its control,

8.01 The Company will give three days' notice before making an indefinite lay-off and will pay, at the rate of pay being earned at time of notice of lay-off, for work-time lost because work is not made available during the three days period.

8.02 Employees absent from work when scheduled for lay-off shall;

8.02.1 be considered as having received notice of lay-off;

8.02.2 be considered as having had work available to them;

8.02.3 be laid off on the basis of the lay-off schedule, with or without having returned to work in the department. Notice for such absent employees will be posted on the department bulletin board on the day notice is given.

(9) Every employee in order to be in line for recall according to seniority must, at the time of lay-off, fill out and sign a form in the Employment Department, stating whether he, or she, will accept employment anywhere in the plant or specifying the jobs on which work will not be accepted.

(10) Jobs selected on the form by an employee shall not be changed prior to one year from date of current lay-off, but the employee may change his selection of jobs on the form one year from date of current lay-off or thereafter.

(11) A copy of this form will be given to the employee.

(12) Lay off procedure will be in accordance with the memorandum of understanding, a copy of which is on file in the Employment Department.

SECTION 3.

RECALLS

(1) For the purpose of this Agreement recalls shall be classified as either temporary or indefinite. A temporary recall shall be one which is effective for a period not expected to exceed 5 working days; an indefinite recall shall be one of longer duration.

(2) When making temporary recalls, departmental seniority shall prevail and the senior serviced employee experienced on the work to be done shall be entitled to such work.

(3) In case a recall which at its beginning appeared would be for not more than five days lasts for a longer period, it shall at the end of the five day period, unless mutually agreed otherwise, be treated as an indefinite recall and handled accordingly.

(4) Indefinite recalls shall be made on the basis of seniority, provided the employee has reported to the Employment Department at the time of lay-off and has executed the essential recall forms.

(5) When it becomes necessary to recall laid-off employees, notice shall be given employees at their last recorded address. It shall be the employee's duty to keep the Employment Department advised of his correct address and the Employment Department shall provide a receipt for such address. In case employee does not report his intention immediately upon receipt of personal service, a registered letter or telegram shall be sent to his last recorded address. It is understood that notice has been given when telegram or registered letter is offered for delivery.

(6) Within forty-eight hours of notice to return to work, the employee shall report his desire to return and when he will be available to the Employment Department and he will be notified when he shall report which shall be within five days after receipt of original personal, telegraphic or mail notice. Failure to give notice of intention within the forty-eight hour period or failure to return to work within five working days will be regarded as leaving the employ of the Company on the employee's own accord.

(7) It is understood that if upon receipt of notice to return to work the recalled employee is ill, his seniority shall be preserved and upon request such employee agreees to provide a physician's certificate regarding his inability to report for work because of illness. If for any other reasonable reason the employee cannot report for work within five working days, the Company will give consideration and make the final disposition of such case.

(8) When an employee is recalled to a department other than the one from which he was laid off, upon request to the Employment Department he may be permitted to transfer to his former department when an opening occurs.

SECTION 4.

TRIAL PERIODS

(1) The question of whether employees affected by a lay-off who have plant-wide seniority possess the necessary qualifications to replace the least serviced employee shall be determined by a trial period as described herein.

(2) Except for jobs listed under Appendix "A" the trial period shall consist of ten (10) working days. By the end of the first five days on one classification, under normal conditions, the employee must attain piecework earnings for the day equal to 80% of the plant minimum rate. During the second five days the employee must exceed the plant minimum rate for at least three full days. Failure to fulfill either of the foregoing requirements will result in disqualification. However, upon demonstrated physical inability to perform the work to which an employee is entitled under the established practice covering transfers at time of lay-off, such employee may replace the employee having the least seniority in the plant. The first trial period shall be for the minimum time necessary to demonstrate such incapacity.

(3) An applicant for transfer to the Mechanical Shops shall first be given a practical test. Unless it is thus clearly shown that he is unfitted for the work available he shall be given thirty (30) working days to demonstrate his ability to perform the work normally done by the man in the classification for which he has made application.

(4) In the case of day work jobs, the question of whether the employee during the trial period, has demonstrated his ability satisfactorily shall be determined by the Company, subject to review through the grievance procedure.

(5) If any employee is unsuccessful in demonstrating his ability through such a trial period he shall not be entitled to another trial on the same job during the current lay-off.

5.01 An employee who has disqualified himself for physical reasons or has had two (2) previous disqualifications for failure to meet the provisions of Paragraph 2 above, will not be given a further trial period on the job on which the previous disqualifications occurred. However, after a period of two (2) years from date of last disqualification, the restriction will be lifted.

(6) The following key jobs are excluded from those jobs to which employees affected by lay-off may request a trial period. However, an employee with previous experience on said job, who is subject to lay-off out of the plant, may exercise his seniority and displace an employee with less seniority on said job.

1. All mechanical shop employees exclusive of the labor gang and ash men in the Boiler House.
2. All clerks and planners.
3. Reinspection of finished goods in the Trimming Dept.
4. Hand hose builders in Long Hose Dept.
5. Banbury Operators.
6. Press Room jobs as listed on agreement dated 2/27/63.
7. Black Rock cutter operators in Hand Room.
8. Plastic Extruder operators in Trimming Dept.

6.01 The following jobs are subject to discussion and mutual agreement regarding their key job status.

1. Tube Machine Operators.
2. Mill Men
3. Cover Machine Operators
4. Lead Press Operators
5. Belt Building 1st man
6. Curing Press - Belt 1st man
7. Curing Press - Packing 1st man
8. Roll and Gasket Builders - Hand Room

(7) When the job involved is that of clerk only, the expression "previous experience" shall be waived upon proof of ability to operate all types of business machines used on the job, and the possession of the necessary qualifications to perform the work with simple introduction to the routine of a particular clerk's job. A person affected by lay-off must have at least 5 years' seniority before he or she is entitled to replace a clerk.

(8) When the job involved is that of ash man in the boiler house, the expression "previous experience" shall apply only to employees with less than 5 years' seniority.

(9) Employees on such exempt jobs, who have three or more years' seniority, shall, in the case of indefinite lay-off, be entitled to the same plant seniority rights as all other three year employees.

SECTION 5.

LEAVES OF ABSENCE

(1) Leaves of absence may be granted at the request of employees to their foreman, for reasons satisfactory to the Management and only for the period specified

in the written leave and in accordance with the conditions written in the leave. All leaves of absence and any extension of them must be approved by the Labor Manager. Any person over-staying a leave of absence will be regarded as having voluntarily quit. The Union shall be notified whenever such leaves of absence are granted and over-stayed.

(2) Female employees shall be granted leaves of absence during pregnancy not to exceed one hundred twenty days past childbirth. If a longer leave is needed, a doctor's certificate will be necessary to extend the leave of absence.

(3) Any member of Local 102, URCLPW of A., shall be granted a leave of absence for an unspecified period for specific Union activities, providing these specific activities confine his services to the URCLPW of A. or to activities with the National A.F.L.-C.I.O. Office. Said employee on leave of absence must file an application for renewal with the Company annually. Termination of employment with either of the above named employers, automatically terminates the leave.

(4) Leaves of absence will be granted for one term of an elective political office and for the term of a special committee appointed to serve the State or Federal Government.

(5) In the event that any employee is drafted or volunteers for service with the Armed Forces of the U. S. Government, such employee, if so entitled under his seniority rights, upon termination of such service, provided he was honorably discharged, is physically fit, and makes application for reemployment within ninety days of his discharge, shall be returned to work with the Company at the prevailing rate of pay with full retention of his seniority rights and without loss of any factory service. In the case of volunteers, seniority shall be preserved until ninety days after the expiration of the enlistment upon which they are serving when peace is declared.

SECTION 6.

TRANSFERS AND DISCONTINUED JOBS

(1) The Company shall not transfer employees from one department to another unless it is on a voluntary basis. When it is necessary to transfer an employee from one department to another on a temporary basis, not to exceed 5 working days, the transferred employee must be the least serviced employee in the plant, unless an older employee has accepted an offer of such temporary transfer, and provided he is qualified to do the work.

(2) Applications.

2.01 An employee desiring to return to a department which he left as a result of lay-off due to a reduction of force, and in which he has established departmental seniority, must make application with the Employment Department within ninety (90) calendar days of the last day worked in that department.

2.01.1 If this is done, he will be transferred, in line with his seniority, when an opening occurs. Upon transfer his departmental seniority will be restored immediately regardless of how long he has been out of that department.

2.01.2 If such employee declines the transfer when the opportunity is presented, he can gain departmental seniority (if he has established seniority elsewhere) only by subsequently accumulating ninety (90) calendar days in the former department.

2.01.3 If such employee accepts a transfer to another department (other than the one in which he has seniority) and accumulates 90 days, then his 90 day card is withdrawn.

2.02 An employee who wishes to transfer to another department shall file an application with the Employment Department. Such application must be on file at least 48 hours prior to the posting of the bid which results in adding an employee to the department.

If there are no such requests, then any other requests will be honored and the vacancy will be filled in the normal manner. However, if a request is submitted on a day that lay-offs are being processed, such request must be filed in the Employment Department by one (1) o'clock of that day.

2.02.1 When an employee accepts a transfer under this condition any other such requests which he may have on file will be cancelled.

(3) Discontinued Jobs.

3.01 If the work to which an employee transfers under paragraph 2.02 runs out after he has been out of his department five (5) working days, and before he has established departmental seniority in the new department, he must return to his former department (the department in which he has departmental seniority) and displace the least serviced employee. In the event he cannot displace the least serviced by reason of seniority, he will bump the least serviced employee in the plant.

(4) Transfers Outside Bargaining Unit.

4.01 An employee who accepts employment with the Company on jobs not within the bargaining unit may return to production or maintenance work within the bargaining unit on the following basis, the seniority of such employee will thereupon be in accordance with Paragraph (3.03) of Section 1, Article IV:

4.01.1 An employee who did not leave his department shall go to the department of the employee with the least seniority in the plant. After a 5 day waiting period and upon his request, he may return to his department in line with his seniority, when an opening occurs, with full seniority.

4.01.2 An employee who did leave his department shall go into the department of the employee with the least seniority in the plant; and, after a 5 day waiting period, may request transfer to other departments under the same provisions as all other employees.

4.01.3 Should the work outside the bargaining unit terminate before the employee has been out of the bargaining unit five (5) working days; he shall return to his former job. However, if such employee is out of the bargaining unit for more than five (5) working days but less than ninety (90) calendar days when the job terminates, he shall displace the employee with the least seniority in the department from which he left the bargaining unit. Furthermore, if the affected

employee resumes the work outside the bargaining unit within eight weeks thereafter, the job shall be considered permanent upon the accumulation of ninety (90) calendar days.

4.01.4 If an employee accepts work outside the bargaining unit because of the absence of another employee due to illness, injury or filling in for vacation; he shall return to his former job upon the return of the other person regardless of the elapsed time.

SECTION 7.

VACANCIES

(1) Vacancies and new jobs will be filled from within the department on the basis of continuous service in the following order, by bidding:

1.01 Employees with departmental seniority.

1.02 Employees without departmental seniority (excluding probationary employees). This group is restricted to filling one bid opening prior to attaining departmental seniority.

1.03 Probationary employees are not permitted to bid on job openings but will receive their jobs by assignment.

2. Bidding Procedure.

2.01 Notice of vacancy shall be posted on the bulletin board and left up for 48 hours. Bids for any vacancy which may result from filling the original bid job will be entered on the form attached to the original notice of vacancy.

2.01.1 An employee going on vacation will be permitted to leave one (1) job request on file with his department manager. If this job should become available while the employee is on vacation, this request would be considered an official job bid. If the employee should be awarded the job, he will be required to accept it upon return from vacation. Such job will be filled temporarily until his return from vacation.

2.02 Vacancies caused by illness will be posted after a lapse of five (5) working days.

2.03 A photostatic copy of the notice of vacancy and the supplemental bidding form, showing the names of bidders, if any, and the action taken, will be given to the department steward.

2.04 The successful bidder for any vacancy will be required to accept the job and must remain on the job for 90 days before he can again bid on an opening.

2.05 If an employee is the senior bidder for more than one job at the same time, the choice of job will be made by the foreman unless the employee has expressed his preference on the bidding form.

2.06 When the job of the first man in any crew operation consisting of two or more men becomes vacant for any reason it shall be filled as follows:

2.06.1 First, from among qualified bidders, who can perform the job without a trial period; (in case of doubt the employee will be given a test.)

2.06.2 Second, by giving opportunity to other members of crews engaged in that operation to step up in regular order in accordance with seniority; and

2.06.3 Third, by a regular bid for work in that crew.

2.07 When there is a vacancy in any crew operation, other than that of the first man, it shall be filled as follows:

2.07.1 First, by giving opportunity to other members of crews engaged in that operation to step up in regular order in accordance with seniority; and

2.07.2 Second, by a regular bid for work in that crew.

(3) When vacancies are not filled within the department, a requisition shall be sent to the Employment Department. The Employment Manager will fill such requisition in the following sequence:

3.01 "Former employees of that department who are working elsewhere in the plant and who made application for return within 90 days of the last day worked in the department, as covered by Paragraph 2.01, Section 6 of this Article IV. The fact that there may be employees on lay-off who have seniority in the requisitioning department shall not affect transfer of these applicants, except that if the employee at the top of the laid-off list shall have such seniority he shall be given equal consideration with the applicants based upon seniority."

3.02 Any other employees, in order of seniority, who have filed application for transfer as covered by Paragraph (2.02), Section 6, of this Article IV.

3.03 Transfer under the above paragraphs 3.01 and 3.02 will be made within a period not to exceed two weeks, unless otherwise mutually agreed.

3.04 Laid-off employees in order of seniority.

(4) Employees filling vacancies under any of the foregoing provisions shall be subject to the provisions of a trial period as outlined under Paragraph (2), (3) and (4) of Section 4, Article IV.

4.01 Employees who are disqualified will be treated as listed below:

4.01.1 The employee who bid in a job within his department will replace the man in that department having the least seniority and shall not be permitted to bid on a job opening for 90 days thereafter.

4.01.2 An employee who transferred to another department by personal request may return to the job of the man in the department from which he came who has the least seniority. If there is no one in the department with less seniority than his, he will bump the least serviced employee in the plant. Also if his former department no longer exists, he will displace the least serviced employee in the plant.

4.01.3 An employee who was transferred under the lay-off procedure, upon demonstrated physical inability to perform the work to which he is entitled, may displace the man with the least seniority in the plant after the vacancy he created has been filled by the regular procedure.

4.01.4 Any employee who disqualifies himself for other than physical reasons, will be laid off out of the plant.

SECTION 8.

JOB RIGHTS

(1) When an employee has accumulated 90 calendar days in a job classification within a period of 120 days, beginning with the expiration date of the bid covering the vacancy, his rights on the job will be based upon his seniority date.

(2) An employee affected by a reduction of force prior to attaining job rights may return to his former job. At the time he returns to his former job he must fill out a form provided by the Company stating whether he does, or does not, wish to continue the accumulation of the 90 days if the possibility arises.

(3) An employee wishing to continue the accumulation of the 90 days cannot enter his name on a bidding notice so long as the possibility exists. An employee not wishing to continue may enter a bid after returning to his former job for 5 working days.

(4) An employee bidding into a vacancy caused by the absence of another due to illness, injury or filling in for vacations outside the bargaining unit shall not acquire job rights therein but may return to his former job upon the return of

the absent employee regardless of the lapse of time. He may, however, acquire job rights in accordance with Paragraphs (1), (2) and (3) above if the absent employee does not return to the job.

(5) Job rights will be lost only by acquiring rights on another job or by being laid off or transferring by personal request out of the department over 5 working days. An employee with job rights who is displaced by a reduction of force, and remains in the department, may return to the job, in line of seniority, when an opening occurs, provided he does not bid on another job.

(6) Job rights referred to in the above paragraphs, 1 through 5, will not be affected by the act of borrowing help. An employee can neither lose job rights by having been borrowed out of his department nor can he hold job rights by being borrowed back into a department from which he was laid off. In no case will an employee remain on a borrowed status for more than five (5) days.

ARTICLE V

MANAGEMENT

(1) The Union agrees to co-operate with the Management to attain the best productivity possible which is consistent with fair and reasonable labor practices. The Union will support Management's effort to improve production, establish efficient methods, eliminate waste, conserve materials and supplies and improve the quality of the workmanship.

(2) The Company retains the sole right to manage its business, including, but by no means limited to the right to decide the number and location of plants; the machine and tool equipment; the products to be manufactured; the methods of manufacture; the schedules of work; the processes of manufacturing or assembling, together with all designing, engineering, the control of raw materials and the manner of storing and handling materials; to maintain order and efficiency in its plants and operations; to hire, lay off, assign, transfer and promote employees; to determine the starting and quitting time and the number of hours to be worked, including overtime hours; to suspend, discharge or otherwise discipline an employee for violation of rules or for other proper and just cause, provided, however, that none of these rights shall be exercised in a manner inconsistent with the other terms and provisions of this agreement.

ARTICLE VI

GENERAL RULES

(1) Payday shall fall on every other Friday; however, if payday falls on a holiday, employees will be paid on the preceding day.

(2) Employees are required to inform the Employment Department or their foreman if they do not intend to report for work as soon as they possibly can do so; however, the second and third shift employees are to do so, if possible, at least six hours before the start of their shift. Employees at the time of reporting off are also to state when they intend to return. Employees who are off are to notify the Employment Department or their foreman before they intend to

return and if they fail to so notify and then report for work, they will not be paid for four hours' work as covered by Article 3, Section 6, if someone has been assigned to their job.

(3) Shift preference shall be determined by majority vote of employees in each department. Voting will be restricted to the period between January 1st and January 31st of any year.

(4) During the eight week probationary period employees may be kept on any shift to which they are assigned by the foreman.

Other employees may be kept on any shift to which they are assigned by the foreman for the purpose of breaking in, for a period not to exceed two weeks.

(5) No foreman or supervisor will take part in production, maintenance, or physically taking inventory to the extent that some employee is deprived of hours of work or earnings. The Company reserves to itself the right to either perform or to delegate the final recording on prescribed tags of the information disclosed by the physical inventory.

Nothing in the Agreement shall prohibit a foreman from working on samples or performing experimental jobs for the purpose of developing the product or improving the method.

(6) Errors appearing on time cards shall be brought to the attention of the employee and correction made in his presence. However, in the case of a dispute, no writing on the card will be erased or otherwise obliterated. The corrected figure will be put on the card and the original figure will be circled out. The time card shall be initialed by the employee to indicate only that the change was made with his knowledge. Any refusal to initial the card for this purpose will be called to the attention of the Union Steward by the foreman and the card will be put through as changed. The Steward may initial the card.

(7) A bulletin board will be provided for notices of Union Meetings. Any other literature must be cleared through the Manager of Industrial Relations before posting.

(8) There shall be no solicitation of any employee during his working hours.

(9) Parties agree to promote healthful, sanitary and pleasant working conditions in the Company's plant at all times.

(10) The Company will perform regular continuing maintenance and installation work with the employees of its mechanical departments except when lack of skills or equipment, nature of the work or time consideration make it impractical. The Company will give notice to the Union when an outside contractor is to be engaged to do work within the plant. Such notice will be given before the contract is let to afford the Union an opportunity to discuss the subject with the Industrial Relations Department at which time the Company will explain the need for contracting the work. If the work is of an emergency nature, notice will be given promptly.

(11) Work schedules for the following week will be posted on Thursday. The employees will get all their information from the posted notice. It will not be

the duty of the Company or the foreman to contact the individual employee. The original notice is subject to change and is therefore not binding upon the Company. However, in the event of a change in the schedule, the Company will notify the individual employees affected.

(12) The Company shall make reasonable provision for the safety and health of its employees during the hours of their employment and will furnish protective devices, equipment, or clothing wherever the use of such protection is required by the Company. The Company will provide necessary shower baths, lockers, and other facilities for maintaining sanitary conditions. A safety and health committee shall be appointed consisting of not more than three men representing the Company and not more than three representing the Union to facilitate the promotion of safe working practices and the elimination of unsanitary or unhealthful working conditions within the local plant.

(13) The Safety and Health Committee shall meet as often as deemed necessary, but not less than once per month, for the purpose of discussing safety problems, and will tour the plant periodically to verify that adopted safety recommendations have been complied with. Reports on conditions will be brought to the Manager of Industrial Relations and a meeting will be held. The Company shall hold a safety meeting within 14 days after the plant inspection unless otherwise mutually agreed. Members of the Safety and Health Committee will be permitted to attend grievance meetings regarding safety and health problems. Union members of the Safety and Health Committee shall be paid for lost work time while functioning on the committee.

(14) The Company will provide a verifax copy of accident and injury reports to the Safety and Health Committee.

(15) The Company will provide adequate first-aid on all turns.

(16) The Company will furnish meal tickets to employees working 10 or more hours; provided the overtime hours beyond his regular turn are unscheduled. Provided further that the meals are eaten in the cafeteria. No carry out service will be given unless authorized by the foreman of the department issuing the meal ticket.

(17) All reprimands that are a year old, or older, and no violation has occurred within a year for the same reason as the original reprimand, shall be removed from the employee's record without prejudice.

ARTICLE VII

TERMINATION

(1) This agreement shall continue in effect until the 30th day of September, 1965. Thereafter it shall renew itself for yearly periods unless written notice is given by either party to the other party, not less than sixty (60) days, but not more than seventy-five (75) days prior to the expiration date or any extension thereof, that it is desired to terminate or amend the agreement. In the event such notice is given, the parties shall begin negotiations within fifteen (15) days, at which time the parties shall present, in writing, all subjects to be negotiated. If negotiations are not completed prior to the expiration date, this agreement shall terminate unless extended by mutual agreement of the parties.

(2) In the event that either party elects to renegotiate the Agreement on Employee Welfare Benefit Program dated July 1, 1961, or its successor as negotiated or amended, as provided therein, and in the event that the parties are unable to reach an agreement in connection with said Employee Welfare Benefit Program and either party elects to terminate the same, then and in that event this Contract Agreement may be terminated upon sixty (60) days' written notice. 1963A-43

(3) This Agreement may be amended at any time by mutual agreement between the parties. If either party proposes amendments to this Agreement during the life thereof, negotiations on such proposals shall begin within ten (10) days. If no settlement is reached, the provisions of the Agreement shall continue in effect.

S.U.B. Separation Payment.

S.U.B. Agreement Article XII, Section 5, Page 29

Delete paragraph (a) and (b) and insert the following:

Separation payments shall be payable from the Fund only and to the extent of the monies therein. The amount of all Separation Payments so paid from the Fund shall be deducted from the value of the assets of the Fund for purposes of computing Trust Fund position and the Company shall have no further liability.

As a further mutual consideration herein, both parties agree to waive the right to reopen for negotiation the Employees' Welfare Benefit contract as provided in Paragraph 4 of Part 7 of that contract.

It is a further consideration of this contract that the AEROQUIP CORPORATION shall assume the full liability of the LEE RUBBER & TIRE CORPORATION under the existing Employee Welfare Benefit Programs and the Supplemental Unemployment Benefits Plan.

Subject to all necessary approval, this Agreement signed _____ shall be effective DEC. 21, 1963.

UNITED RUBBER, CORK, LINOLEUM & PLASTIC WORKERS OF AMERICA. LOCAL NO. 102

AEROQUIP CORPORATION
REPUBLIC RUBBER DIVISION

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____

International Representative

APPENDIX "A"

1903A-44

Piecework jobs on which the operator must qualify in accordance with Paragraph (2) of Article IV, Section 4:

On jobs listed hereunder the trial period shall consist of fifteen (15) working days. By the end of the first ten days on one classification, under normal conditions, the employee must attain piecework earnings for the day equal to 80% of the plant minimum rate. During the next five days the employee must exceed the plant minimum rate for at least three full days. Failure to fulfill either of the foregoing requirements will result in disqualification.

Long Hose Dept.

Open Wrap & Machine Wrapping Crew

Vacuum Hose Dept.

Wireman
Bias Cutter - 1st Man
Cure Molded Ends
Braiders

Trimming Room

Drill Press
Punch Press
Hand Punch
Machine Buffing
Scouring
Table Work (Hand Trim & Inspect)

Mill Room

Mix Mill Operators

Calender Dept.

Calender Operator
Batch Out Scrap

Belt Dept.

Small Endless & Repair Press Operator
Belt Building
Cameron Cutter - 1st Man

Molded Hose Dept.

Braiders

Wire Braid Hose Dept.

Braiders
Looms

Cotton Hose

Looms

118A

Proposed 6-16-1962

#1

AMENDMENT TO
AGREEMENT FOR PENSION, SERVICE AWARD
AND INSURANCE BENEFITS

This Agreement, made and entered into this 22nd day of June 1962, by and between Lee Rubber & Tire Corporation, Conshohocken Plant, Conshohocken, Pennsylvania, hereinafter referred to as the "Company", and Local Union No. 227, United Rubber, Cork, Linoleum and Plastic Workers of America, hereinafter referred to as the "Union".

AMENDMENT

The non-contributory Pension Plan of Lee Rubber & Tire Corporation effective as of April 6, 1950, as amended effective July 1, 1961, shall be further amended effective July 1, 1961, as follows:

ARTICLE I
SECTION VIII
GENERAL PROVISIONS

1. No change
2. No change

3. Subject to the provisions of any agreements which may be made by the Company with the recognized collective bargaining representatives of any of its Employees, the Company reserves the right to modify, amend, or terminate this Plan, in whole or in part, at any time and for any reason.

4. No change.

5. No change.

6. The benefits of the Plan will be only such as can be provided by the assets of the pension fund and there can be no liability or obligation on the part of the company to make any further contributions to the Trustee in the event of the termination of the Plan, except that if the assets in the Pension Fund are then less than the reserve computed for those pensioners dealt with in Article I, Section VIII, paragraph 7 sub-paragraph First hereof, the company will contribute to the fund an amount equal to such deficiency. No liability for the payment of benefits under the Plan will be imposed on the company, officers, employees, agents and directors or stockholders of the company.

7. On termination of the Plan, the funds of the Plan shall be used for the exclusive benefit of the employees and pensioners under the Plan as of the date of such termination, except that any funds not required to satisfy all liabilities of the Plan for benefits because of erroneous actuarial calculation shall be returned to the company. The Pension Board shall determine on the basis of actuarial valuation the share of the funds of the Plan allocable to each employee and pensioner in the following order:

7. First - Each pensioner who has been granted a pension prior to the date of such termination shall be entitled to a share equal to the reserve computed to be required for his benefit credits, and

Second - Each pensioner and employee not included in First above who is eligible to retire under Section II, paragraph 1, 2 or 3, shall be entitled to a share equal to the reserve computed to be required for his benefit credits, and

Third - Each employee not included in First or Second above who is eligible for a vested benefit under Section II, paragraph 4, shall be entitled to a share equal to the reserve computed to be required for his benefit credits, and

Fourth - Each other employee shall be entitled to a share equal to the reserve computed to be required for his benefit credits, provided that

If the funds are insufficient to provide in full for the shares under sub-paragraphs Second, Third or Fourth after provisions for all shares under previous sub-paragraphs, each share under such sub-paragraph Second, Third or Fourth shall be reduced pro rata. In determining whether any pensioner or employee is included in sub-paragraph First, Second, Third, or Fourth above, no account shall be taken of any election by such pensioner or employee made after the date of notice of termination of the Plan.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Amended Agreement on the day and year first above written.

LOCAL UNION #227
UNITED RUBBER, CORK, LINOLEUM &
PLASTIC WORKERS OF AMERICA, AFL-CIO

Charles T. Hess Jr.
James P Kennan
T. F Delaney
Wm. P McCann
Walter Tarbutton
James A. Murphy
Anthony F. Stanczyski

LEE RUBBER & TIRE CORPORATION
(CONSHOHOCKEN PLANT)
CONSHOHOCKEN, PENNSYLVANIA

Richard G Sabol
International Representative

118A(1)

1906A

GEORGE BURDON, President
PETER BOMMARITO, Vice President — I. GOLD, Secretary-Treasurer
UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA
AFL-CIO, CLC — 87 SOUTH HIGH STREET — AKRON 8, OHIO
FR 6-6181
6-6182
6-6183
6-6184

June 18, 1962

Mr. Charles Hess, Jr., President
URW Local Union No. 227
621 West Lafayette Street
Norristown, Pennsylvania

COPY

Dear Brother Hess:

As per our telephone conversation today, I am returning the two copies of the proposed Amendments to the Lee Rubber & Tire Corporation and Local Union No. 227 Pension Agreement which were sent to us by Brother Sabol.

We have submitted these Amendments to the Contract Department and Brother Jack Samels is sending you a letter of approval, subject to approval by the Local Union membership.

It is our opinion that these Amendments will improve the Agreement as the Company has agreed to fund the plan for present retirees as well as future retirees and also has guaranteed to provide the necessary monies to pay the pensions, for life, to those employees who have retired prior to any termination of the Plan.

Best wishes to you and the other members of Local 227.

Fraternally yours,

Kenneth Oldham, Director
Pension and Insurance Department

KO:mb
ociu339
Att.
cc: George Burdon
Peter Bommarito
John D. Samels
Michael G. Sabol
Charles McCauley, Pres, Local 102

118A2

1907A

GEORGE BURDON, Pr. nt

PETER BOMMARITO, Vice President

I. GOLD, Secretary-Treasurer

UNITED RUBBER, CORK, LINOLEUM AND PLASTIC WORKERS OF AMERICA

AFL-CIO, CLC

87 SOUTH HIGH STREET

AKRON 8, OHIO

FR 6-6181
6-6182
6-6183
6-6184

RECEIVED

JUN 19 1962

PENSIONS & INSURANCE

BY K.O.

June 18, 1962

COPY

Mr. Charles Hess, Jr., President
Local No. 227 URCLPwA
621 West Lafayette Street
Norristown, Pennsylvania

Dear Brother Hess:

This is to acknowledge receipt of a copy of the proposed Amendment to Agreement for Pension, Service Award and Insurance Benefits negotiated between Local Union 227 URCLPwA and the Lee Rubber & Tire Corporation.

Please be advised that I have reviewed this agreement and find that it meets with International Union approval.

Would you please furnish us with a signed copy of this agreement.

Fraternally yours,

John D. Samels
Assistant to the Vice President

mk - opiu339

cc George Burdon
Kenneth Oldham
John Baldante
Michael Sabol

123-A 1968

43

Research Department
URW
December 7, 1961

WAGE SURVEY
Tires & Tubes

Average Straight Time Hourly Earnings

Occupations	Local 2 1/	Local 5	Local 6	Local 7	Local 9	Local 11	Local 12 1/
Plantwide Average	$3.10	$3.05	$ -	$3.28	$3.04	$3.00	$2.89
Male Average	3.15	3.13	-	3.31	3.06	3.02	2.93
Female Average	2.63	2.52	-	2.84	2.60	2.72	2.55
Electrician	3.159	3.168	3.167	3.15	3.124	2.92	2.95
Tool & Die Maker	3.239	3.221	3.267	3.17	-	3.02	3.00
Machinist	3.159	3.168	3.167	3.15	3.174	2.92	3.00
Pipefitter	3.159	3.168	3.167	3.15	3.125	2.922	2.95
Carpenter	3.159	3.168	3.117	3.15	3.125	2.92	2.95
Painter	3.074	3.168	-	3.09	3.125	2.92	2.95
Maintenance Mechanic	3.159	3.168	3.167	3.15	3.125	2.92	2.95
Millwright	-	3.168	-	3.15	-	2.942	2.95
Fireman	3.084	-	3.117	3.15	3.044	2.965	2.95
Fork Lift Operator	3.23	-	3.245	2.875	-	2.654	2.575
Sweeper	2.569	-	2.607	2.605	2.509	2.465	2.49
General Laborer	2.844	2.581	2.892	2.605	2.539	2.604	2.39
Banbury Operator	3.00	3.33	3.43	2.88	3.00	3.27	2.93
Mix Mill Operator	2.96	-	3.30	2.93	2.87	3.19	2.83
Warm Up Mill Operator	3.43	3.12	-	2.90	2.98	3.20	2.83
Fabric Calender Operator	3.81	3.61	3.81	3.41	3.40	3.51	3.33
Tread Tuber Operator	3.91	3.49	3.58	3.67	3.12	3.23	3.28
Bias Machine Operator	3.47	3.48	3.42	3.37	3.20	2.89	2.98
Band Builder	3.41	3.41	3.12	3.28	3.13	3.15	2.74
Bead Builder, Pass. Tires	3.39	3.36	3.35	2.40	3.11	3.22	2.97
Bead Flipper, Pass. Tires	2.76	2.92	3.00	-	2.68	2.67	2.40
Passenger Tire Builder	3.47	3.53	3.49	3.34	3.27	3.27	2.87
Truck Tire Builder	3.52	3.53	3.49	3.65	3.48	3.37	3.05
Bag-O-Matic Operator	3.84	3.72	3.54	3.11	3.32	3.20	2.78
Tire Trimmer	2.95	3.38	3.39	3.19	3.13	3.17	-
Final Inspector	3.06	3.15	3.342	3.20	3.28	3.11	3.06
Tube Tuber Operator	3.65	3.50	-	3.01	3.12	-	3.28
Tube Splicer	3.27	3.38	-	3.13	2.68	-	3.00
Tube Curer	3.19	3.47	-	3.25	3.14	-	2.90
Date Effective:	6/61	6/61	6/61	6/61	6/61	6/61	6/61
Deferred Increases:	.07	.07	.07	.07	.07	.07	.07
	6/62	6/62	6/62	6/62	6/62	6/62	6/62

Local # 2 - Goodyear Tire & Rubber Co., Akron, Ohio
Local # 5 - B. F. Goodrich Co., Akron, Ohio
Local # 6 - Mohawk Rubber Co., Akron, Ohio
Local # 7 - Firestone Tire & Rubber Co., Akron, Ohio
Local # 9 - General Tire & Rubber Co., Akron, Ohio
Local #11 - United States Rubber Co., Chicopee Falls, Mass.
Local #12 - Goodyear Tire & Rubber Co., Gadsden, Alabama

See Page 7
for Footnotes

1909A

Average Straight Time Hourly Earnings

Occupations	Local 17	Local 18	Local 19	Local 31	Local 43	Local 44	Local 49
Plantwide Average	$2.95	$3.06	$3.03	$ -	$2.86	$2.93	$ -
Male Average	2.97	3.13	3.05	-	2.89	2.96	-
Female Average	2.72	2.70	2.64	-	2.57	2.53	-
Electrician	2.964	3.102	3.028	-	3.098	3.13	2.54
Tool & Die Maker	-	3.102	3.028	-	3.148	3.21	2.54
Machinist	2.964	3.102	3.028	2.135	3.128	3.13	-
Pipefitter	2.964	3.102	3.028	-	3.098	3.13	2.42
Carpenter	2.782	3.102	3.028	-	3.098	3.13	-
Painter	2.782	3.102	3.028	-	3.098	2.95	-
Maintenance Mechanic	2.889	3.102	3.028	2.075	-	3.13	2.47
Millwright	-	3.102	3.028	-	-	3.13	2.37
Fireman	3.00	3.102	2.978	1.965	3.098	2.97	-
Fork Lift Operator	2.80	2.812	2.908	1.99	2.975	2.705	2.32
Sweeper	2.47	2.532	2.464	1.825	2.517	2.525	1.97
General Laborer	2.65	2.612	-	1.825	2.687	2.75	2.08
Banbury Operator	3.25	3.13	3.40	2.04	3.15	3.02	2.64
Mix Mill Operator	2.95	3.04	3.19	2.015	3.06	2.745	2.47
Warm Up Mill Operator	2.95	3.04	3.32	2.04	2.95	2.98	2.59
Fabric Calender Operator	3.25	3.48	3.28	2.09	3.25	3.28	2.65
Tread Tuber Operator	3.40	3.35	3.44	2.14	3.21	3.07	2.56
Bias Machine Operator	3.17	2.75	2.74	-	3.22	2.99	2.63
Band Builder	3.60	2.81	-	-	2.87	2.83	-
Bead Builder, Pass. Tires	3.47	3.65	-	-	3.05	2.91	2.46
Bead Flipper, Pass. Tires	2.65	2.72	2.82	-	2.65	2.64	2.50
Passenger Tire Builder	3.22	3.16	3.27	-	3.12	3.12	2.67
Truck Tire Builder	3.22	3.21	3.41	-	3.19	3.20	2.67
Bag-O-Matic Operator	3.26	3.43	3.16	-	3.23	3.30	2.76
Tire Trimmer	3.40	4.06	3.32	-	2.99	3.09	2.68
Final Inspector	3.46	3.95	3.37	1.935	-	3.22	2.53
Tube Tuber Operator	3.35	-	-	2.14	-	-	-
Tube Splicer	2.80	-	-	1.915	-	-	-
Tube Curer	3.20	-	-	2.21	-	-	-
Date Effective:	8/60	6/61	6/61	5/61	6/61	6/61	11/60
Deferred Increases:	-	.07 6/62	.07 6/62	-	.07 6/62	.07 6/62	-

Local #17 - Mansfield Tire & Rubber Co., Mansfield, Ohio
Local #18 - Seiberling Rubber Co., Barberton, Ohio
Local #19 - United States Rubber Co., Eau Claire, Wisconsin
Local #31 - Durkee Atwood Co., Red Wing, Minnesota
Local #43 - B. F. Goodrich Co., Los Angeles, California
Local #44 - United States Rubber Co., Los Angeles, California
Local #49 - Corduroy Rubber Co., Grand Rapids, Michigan

See Page 7 for footnotes

Average Straight Time Hourly Earnings 1910A

Occupations	Local 64	Local 80	Local 93	Local 98	Local 101	Local 110	Local 118
Plantwide Average	$2.88	$2.22	$2.84	$ -	$3.21	$2.968	$2.08
Male Average	-	2.23	-	-	3.25	3.027	2 11
Female Average	-	1.94	-	-	2.76	2.776	1.74
Electrician	-	2.285	2.945	2.77	3.192	3.067	2.16
Tool & Die Maker	-	2.335	-	-	3.257	-	2.16
Machinist	-	2.285	2.895	2.84	3.212	3.067	2.16
Pipefitter	-	2.285	2.895	-	3.192	3.067	2.16
Carpenter	-	2.235	2.745	-	3.192	3.067	2.16
Painter	-	2.135	-	-	3.152	3.067	-
Maintenance Mechanic	-	2.285	2.895	2.77	3.192	3.067	2.16
Millwright	-	2.285	-	-	3.192	-	2.16
Fireman	-	-	2.70	-	3.192	2.927	-
Fork Lift Operator	2.60	2.02	2.535	2.455	2.661	2.662	-
Sweeper	2.425	1.825	2.305	2.30	2.632	2.507	1.86
General Laborer	-	-	2.445	2.325	2.691	2.627	1.86
Banbury Operator	3.16	2.43	3.17	2.78	3.25	3.28	2.14
Mix Mill Operator	3.05	2.31	3.17	2.66	3.43	3.26	2.06
Warm Up Mill Operator	3.05	2.43	3.17	2.91	3.26	3.19	1.98
Fabric Calender Operator	3.51	2.64	3.53	3.16	3.46	3.24	-
Tread Tuber Operator	3.21	2.64	3.44	3.07	3.45	3.15	-
Bias Machine Operator	2.98	2.46	3.17	3.21	3.45	3.11	2.06
Band Builder	-	2.32	2.99	2.80	3.27	-	2.31
Bead Builder, Pass. Tires	2.97	2.16	3.08	2.80	-	3.04	-
Bead Flipper, Pass. Tires	2.65	2.19	2.90	2.80	2.90	-	1.96
Passenger Tire Builder	3.05	2.36	3.35	3.07	3.54	2.84	2.18
Truck Tire Builder	3.12	2.40	3.44	3.07	3.53	-	2.31
Bag-O-Matic Operator	3.41	2.26	3.17	3.07	3.35	3.32	-
Tire Trimmer	2.80	2.48	2.90	2.75	3.44	3.27	-
Final Inspector	2.94	2.35	3.08	-	3.62	2.80	-
Tube Tuber Operator	-	2.43	3.44	-	-	3.44	2.06
Tube Splicer	-	2.18	2.90	-	-	2.76	-
Tube Curer	-	2.37	3.08	-	-	3.16	2.06
Date Effective:	8/60	5/61	7/61	7/61	6/61	6/61	6/61
Deferred Increases:	-	-	.07	-	.07	.07	-
			7/62		6/62	6/62	

Local # 64 - Mansfield Tire & Rubber Co., Oakland, California
Local # 80 - Dominion Rubber Co., Kitchener, Ontario
Local # 93 - Armstrong Rubber Co., West Haven, Connecticut
Local # 98 - Denman Rubber Mfg. Co., Warren, Ohio
Local #101 - United States Rubber Co., Detroit, Michigan
Local #110 - United States Rubber Co., Indianapolis, Indiana
Local #118 - Seiberling Rubber Co. of Canada, Ltd., West Toronto, Ontario

See Page 7
for footnotes

Average Straight Time Hourly Earnings

Occupations	Local 131 1/	Local 132	Local 135	Local 164	Local 178	Local 179	Local 185 1/
Plantwide Average	$2.90	$2.15	$ -	$2.88	$ -	$ -	$3.17
Male Average	2.94	-	-	2.91	-	-	3.19
Female Average	2.62	-	-	2.30	-	-	2.87
Electrician	3.037	2.335	3.086	2.885	3.02	-	3.165
Tool & Die Maker	3.087	-	3.166	-	-	-	-
Machinist	3.037	2.335	3.086	2.885	-	-	3.265
Pipefitter	3.037	2.315	3.046	-	3.02	-	3.165
Carpenter	3.037	2.285	3.006	2.885	3.02	-	3.14
Painter	2.987	2.275	2.966	-	3.02	-	3.045
Maintenance Mechanic	3.037	2.315	3.046	2.885	-	2.61	3.14
Millwright	3.037	-	3.046	-	3.02	-	-
Fireman	2.967	-	2.926	2.765	2.456	2.59	3.115
Fork Lift Operator	2.522	1.995	2.676	2.465	2.522	-	-
Sweeper	2.417	1.795	2.416	2.275	2.334	2.15	-
General Laborer	2.482	-	-	2.275	-	2.23	-
Banbury Operator	2.99	2.22	3.97	3.55	3.09	2.525	3.17
Mix Mill Operator	2.77	2.25	3.80	3.63	3.18	2.505	3.33
Warm Up Mill Operator	3.11	2.46	3.85	3.55	2.99	2.505	3.79
Fabric Calender Operator	3.60	2.52	3.76	4.03	3.62	2.545	4.20
Tread Tuber Operator	3.20	-	4.04	3.85	3.26	-	4.00
Bias Machine Operator	3.19	2.38	4.13	3.20	3.18	-	3.64
Band Builder	3.10	-	3.30	4.00	2.99	-	3.45
Bead Builder, Pass. Tires	3.32	-	3.28	2.90	2.73	-	3.14
Bead Flipper, Pass. Tires	2.92	-	3.24	3.05	2.82	-	2.54
Passenger Tire Builder	3.08	-	3.85	3.16	3.08	-	3.28
Truck Tire Builder	3.50	-	3.85	3.90	3.16	-	3.58
Bag-O-Matic Operator	3.10	-	3.43	3.78	3.08	-	3.13
Tire Trimmer	2.74	-	3.65	3.65	2.89	-	-
Final Inspector	2.72	-	2.89	-	2.99	-	-
Tube Tuber Operator	-	2.38	-	-	-	2.545	-
Tube Splicer	-	2.30	-	-	-	2.215	-
Tube Curer	-	2.39	-	-	-	2.455	-
Date Effective:	6/61	5/61	8/60	7/61	2/61	10/61	6/61
Deferred Increases:	.07	-	-	.07	-	.04	.07
	6/62			7/62		10/62	6/62

Local #131 - Goodyear Tire & Rubber Co., Los Angeles, California
Local #132 - Dunlop Canada, Ltd., Toronto, Ontario
Local #135 - Dunlop Tire & Rubber Co., Buffalo, New York
Local #164 - Armstrong Rubber Mfg. Co., Des Moines, Iowa
Local #178 - Dayton Tire & Rubber Co., Div. of Dayco Corp., Dayton, Ohio
Local #179 - Polson Rubber Co., Garrettsville, Ohio
Local #185 - Goodyear Tire & Rubber Co., Jackson, Michigan

See Page 7
for footnotes

1912A

Average Straight Time Hourly Earnings

Occupations	Local 207	Local 227	Local 232	Local 281	Local 293	Local 303	Local 307 1/
Plantwide Average	$2.91	$ -	$ -	$2.87	$2.73	$ -	$2.75
Male Average	2.94	-	-	2.87	2.74	-	2.76
Female Average	2.51	-	-	2.81	2.49	-	2.47
Electrician	2.72	2.927	2.35	2.93	2.89	2.862	2.907
Tool & Die Maker	2.67	3.027	2.35	2.93	-	-	-
Machinist	2.72	2.927	2.35	2.93	2.39	2.862	2.907
Pipefitter	-	2.927	2.35	2.93	2.54	2.822	2.907
Carpenter	2.67	2.862	2.35	2.93	2.50	2.742	2.907
Painter	-	-	2.35	2.835	2.25	2.742	2.907
Maintenance Mechanic	2.72	2.927	2.35	2.93	2.44	2.862	2.907
Millwright	2.72	-	2.35	-	2.89	2.822	-
Fireman	2.57	2.827	2.35	2.835	2.34	2.822	-
Fork Lift Operator	2.37	2.547	2.18	2.905	1.98	-	-
Sweeper	2.22	2.372	1.835	2.55	1.97	2.312	2.388
General Laborer	2.22	2.372	-	-	1.97	2.347	2.412
Banbury Operator	2.68	2.88	2.55	3.10	2.65	3.54	2.74
Mix Mill Operator	2.52	2.74	2.18	3.10	2.97	3.25	-
Warm Up Mill Operator	2.71	2.81	2.60	2.91	2.61	3.25	2.68
Fabric Calender Operator	3.23	3.29	2.70	3.05	2.79	4.05	2.97
Tread Tuber Operator	3.01	2.88	2.66	3.10	2.54	3.66	2.80
Bias Machine Operator	2.94	2.38	2.76	3.01	2.74	3.33	-
Band Builder	-	-	2.54	2.86	2.79	3.43	2.78
Bead Builder, Pass. Tires	3.02	3.15	2.46	3.05	2.79	3.34	-
Bead Flipper, Pass. Tires	2.95	2.87	2.53	2.86	2.62	3.16	2.61
Passenger Tire Builder	3.08	2.97	2.46	3.05	2.93	3.43	2.81
Truck Tire Builder	-	3.02	2.81	3.10	2.93	3.64	2.93
Bag-O-Matic Operator	2.70	3.20	2.43	3.10	2.77	3.42	2.76
Tire Trimmer	2.82	3.20	2.15	2.86	2.48	2.94	-
Final Inspector	3.29	3.20	2.33	2.96	2.44	3.43	2.97
Tube Tuber Operator	-	2.88	2.76	-	2.54	3.54	2.80
Tube Splicer	-	2.97	2.35	-	2.48	3.24	-
Tube Curer	-	2.37	2.66	-	2.77	2.39	2.77
Date Effective:	9/61	8/61	4/61	6/61	7/61	7/61	6/61
Deferred Increases:	.07	.07	-	.07	.10	.07	.07
	9/62	8/62		6/62	7/62	7/62	6/62

Local #207 - Cooper Tire & Rubber Co., Findlay, Ohio
Local #227 - Lee Tire & Rubber Corp., Conshohocken, Pa.
Local #232 - Goodyear Tire & Rubber Co. of Canada, Ltd., New Toronto, Ontario
Local #281 - B. F. Goodrich Tire Co., Oaks, Pa.
Local #293 - Frank G. Schanuit Rubber Co., Baltimore, Md.
Local #303 - Armstrong Tire & Rubber Co., Natchez, Miss.
Local #307 - Goodyear Tire & Rubber Co. of Kansas, Inc., Topeka, Kansas

See Page 7 for footnotes

1913A

Average Straight Time Hourly Earnings

Occupations	Local 310	Local 312	Local 318	Local 336	Local 351	Local 494 2/	Local 536	Local 556
Plantwide Average	$3.24	$2.73	$2.84	$2.99	$2.77	$ -	$1.82	$1.73
Male Average	3.25	2.74	2.85	3.00	2.78	-	-	-
Female Average	3.02	2.56	2.81	2.80	2.64	-	-	-
Electrician	3.09	2.867	2.913	3.132	2.953	2.35	2.06	1.93
Tool & Die Maker	3.09	-	-	3.132	-	-	-	-
Machinist	3.09	2.912	2.913	3.132	2.953	2.35	2.06	-
Pipefitter	3.09	2.867	2.913	3.132	2.953	2.35	2.06	-
Carpenter	3.09	2.867	2.913	3.132	2.953	2.35	2.06	1.83
Painter	3.09	2.867	2.913	3.002	2.953	2.25	-	-
Maintenance Mechanic	3.09	2.867	2.913	3.132	2.953	2.35	2.06	1.83
Millwright	3.09	2.867	-	-	-	2.35	2.06	-
Fireman	2.95	2.767	-	-	2.953	-	-	-
Fork Lift Operator	2.585	2.49	-	2.607	2.553	-	1.65	-
Sweeper	2.425	2.267	2.523	2.427	2.285	1.90	1.59	1.43
General Laborer	2.625	2.247	2.483	2.557	-	1.75	-	1.43
Banbury Operator	2.98	2.77	2.84	3.00	2.94	2.62	2.09	1.53
Mix Mill Operator	3.43	2.72	2.84	-	2.94	-	2.05	1.80
Warm Up Mill Operator	3.40	2.77	2.79	3.31	2.94	2.44	2.00	1.80
Fabric Calender Operator	3.63	3.17	3.14	3.54	3.04	2.62	2.15	-
Tread Tuber Operator	4.03	2.95	2.93	3.44	3.03	2.62	2.12	-
Bias Machine Operator	3.60	2.95	3.01	3.41	2.89	2.51	1.94	-
Band Builder	3.35	2.72	2.75	-	-	2.33	-	-
Bead Builder, Pass. Tires	3.06	2.81	2.99	3.15	2.75	1.99	1.94	-
Bead Flipper, Pass. Tires	-	2.59	2.90	-	2.75	1.99	-	-
Passenger Tire Builder	2.63	2.81	2.82	3.26	2.94	2.57	2.00	-
Truck Tire Builder	3.15	2.95	2.96	3.44	-	2.57	2.00	-
Bag-O-Matic Operator	3.52	2.77	2.93	3.16	3.08	2.57	2.05	-
Tire Trimmer	3.66	2.77	2.87	2.68	2.65	2.23	1.89	-
Final Inspector	3.30	2.95	2.87	2.68	2.89	2.41	1.94	-
Tube Tuber Operator	-	-	3.50	3.46	-	-	-	2.03
Tube Splicer	-	-	3.08	3.22	-	-	-	1.80
Tube Curer	-	-	3.25	2.97	-	-	-	1.92
Date Effective:	6/61	6/61	6/61	6/61	6/61	5/61	4/60	2/61
Deferred Increases:	.07 6/62	.07 6/62	.07 6/62	.07 6/62	.07 6/62	-	-	-

Local #310 - Firestone Tire & Rubber Co., Des Moines, Iowa
Local #312 - General Tire & Rubber Co., Waco, Texas
Local #318 - B. F. Goodrich Co., Miami, Oklahoma
Local #336 - Firestone Tire & Rubber Co., Pottstown, Pa.
Local #351 - B. F. Goodrich Tire Co., Tuscaloosa, Alabama
Local #494 - Dunlop Canada Ltd., Whitby, Ontario
Local #536 - Mansfield Rubber Ltd., Barrie, Ontario
Local #556 - Clarksdale Rubber Co., Clarksdale, Miss.

See page 7 for footnotes

FOOTNOTES

1/ Incentive earnings listed are 1960 Job Wage Level rates plus the 1961 wage increase rounded to the nearest full cent; actual earnings may be 10-15% higher.

2/ Incentive earnings calculated at 45% above base rates plus $.21 add-on.

NOTE: Tire and tube plants not included because of the lack of adequate wage data are those represented by Local Unions 26, 73, 100, 113, 154, 186, 539, 635 and 638.

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Research Department
UNIROYAL
December 11, 1961

1915A

URF-ARMIZED TIRE PLANTS IN THE UNITED STATES: RANKINGS AVERAGE STRAIGHT-TIRE HOURLY EARNINGS

Local No.	Company and Location	ASTHE
7	Firestone Tire & Rubber Co., Akron, Ohio	$3.28
6	Mohawk Rubber Co., Akron, Ohio	3.27
310	Firestone Tire & Rubber Co., Des Moines, Iowa	3.24
101	United States Rubber Co., Detroit, Michigan	3.21
185	Goodyear Tire & Rubber Co., Jackson, Michigan	3.17
135	Dunlop Tire & Rubber Co., Buffalo, New York	3.12
100	Firestone Tire & Rubber Co., Los Angeles, Calif.	3.12
2	Goodyear Tire & Rubber Co., Akron, Ohio	3.10
18	Seiberling Rubber Co., Barberton, Ohio	3.06
186	Firestone Tire & Rubber Co., Memphis, Tennessee	3.06
5	B. F. Goodrich Co., Akron, Ohio	3.05
19	United States Rubber Co., Eau Claire, Wisconsin	3.03
11	United States Rubber Co., Chicopee Falls, Mass.	3.00
336	Firestone Tire & Rubber Co., Pottstown, Pa.	2.99
110	United States Rubber Co., Indianapolis, Indiana	2.97
17	Mansfield Tire & Rubber Co., Mansfield, Ohio	2.95
44	United States Rubber Co., Los Angeles, California	2.93
207	Cooper Tire & Rubber Co., Findlay, Ohio	2.91
131	Goodyear Tire & Rubber Co., Los Angeles, California	2.90
12	Goodyear Tire & Rubber Co., Gadsden, Alabama	2.89
26	Kelly-Springfield Tire Co., Cumberland, Maryland	2.88
64	Mansfield Tire & Rubber Co., Oakland, California	2.88
164	Armstrong Rubber Mfg. Co., Des Moines, Iowa	2.88
281	B. F. Goodrich Tire Co., Oaks, Pa.	2.87
43	B. F. Goodrich Co., Los Angeles, California	2.86
227	Lee Tire & Rubber Corp., Conshohocken, Pa.	2.85
93	Armstrong Rubber Co., West Haven, Conn.	2.84
318	B. F. Goodrich Co., Miami, Oklahoma	2.84
303	Armstrong Tire & Rubber Co., Natchez, Miss.	2.82
170	Dayton Tire & Rubber Co., Dayton, Ohio	2.81
351	B. F. Goodrich Tire Co., Tuscaloosa, Alabama	2.77
307	Goodyear Tire & Rubber Co. of Kansas, Inc., Topeka, Kansas	2.75
293	Frank C. Schmidt Rubber Co., Baltimore, Md.	C 2.73
212	General Tire & Rubber Co., Waco, Texas	2.73
539	Mohawk Rubber Co., West Helena, Arkansas	NA

NA - Not available.

125A

1916A

February 11, 1963

Mr. M. H. Clermont
Chairman

Subject: Authorizations for Completion and Installation of Dual-Tread Tubers, Mills and Cooling Conveyor

Attached is authorization for $94,930.00 for installation and purchase of equipment as shown. I understand approval of this was given by you verbally to Ed Barkett so we can start lining up contractors for the shutdown period. We are proceeding to do just that.

As pointed out in Mr. Barkett's letter of February 11th attached, this leaves the purchase of the actual cooling and transfer conveyors themselves, along with their attendent motors, drives and speed controls, which will amount to $116,000.

Authorization request for this will be forthcoming next week after three firm prices on conveyors have been received and evaluated, and will complete the entire dual-tuber installation.

Availability of this equipment for production is scheduled for July 1963.

ORIGINAL SIGNED BY
A. A. GARTHWAITE, JR.

A. A. Garthwaite, Jr.

12

cc: Messrs. Heinrich
Garrett
Barkett
Van Anda
Miles

126 A

1917A

SIDE AGREEMENT

Employees in the tire building classification shall not be subject to the bumping procedures as set forth in Article 14, Section 14.01.2 and Section 14.01.3, except by employees who have previously qualified as Tire Builders.

It is understood that this is a side agreement to the existing working agreement and is a temporary emergency provision which will automatically terminate on June 30, 1963 and shall be without precedent.

DATE: January 22, 1963

FOR THE UNION:

Charles D. Ibos Jr

James A Bowen

Richard Barbuski

Joseph Yarnevich

Elmer J C Otte

Walter Fountain

F. F Delaney

FOR THE COMPANY:

A E Barkett

J J Conway

R.W. Allen

W Ruddeross

(127A)

CONTRACT NEGOTIATIONS MAY 31, 1963 TIME 9.30 A.M.

UION

UNION REPRESENTATIVES		COMPANY REPRESENTATIVES	
SABOL	HESS	CONWAY	RUDDEROW
ROMNAN	TARBUTTON	HIEL	
BOKOSKI	VOLPE		
YAROSINSKI			

UNION SUGGESTED CHANGES.

NEW SECTION I.03.

CONWAY: What is Automation of jobs, and what isn't automation of jobs?

HESS: Non- Union employee's performing jobs by pressing buttons.

SECTION I.04. Under our proposal we would have the right to follow are jobs in case you move. And Company would pay all expense connected with moving.

SECTION 2.03.I.

CONWAY: You are doing this now I see no objection at this time.

SECTION 2.03.3

CONWAY: You want this right even if production should stop.

Tarbutton: Thats right, It is up to your formen to get a replacement.

SECTION 2.03.5 CONWAY: This would be more liberal than other Company's.

ARTICLE 4 CONWAY: That sure would be nice wouldn't it?

SECTION 5.02

HESS: The reason for this change is we feel if the Company is wrong they should pay for their mistake.

CONWAY: I see want you mean , go ahead.

SECTION 6.0I.I

CONWAY: You are talking about the factory as a whole aren't you?
HESS: Thars right.
RUDDEROW: Why change this clause?
TARBUTTON: BEcause we think this change spells it out better.

SECTION 6.0I.6.
RUDDEROW: We will have no guide if you take this out. Where would we draw the line?
HESS. Employee with the least amount of overtime would work.

CONWAY: How about emergency overtime? You wouldn't want us to call the Union in that case would you?

HESS: We wouldn't have to many problems, if the foreman would contact the committeeman. How about you working the Tire builders and the mill room overtime now when we have men on lay-off.

SECTION 7.0I.2 The Union change means Sat. work time and one half.

CONWAY: You are adding more expense to the Company with your proposal But right now we aren't working on Sat.

SECTION 7.0I.3

HESS: The Union wants to delete this because we are asking for Sat. as such.

SECTION: 7.0I.4

CONWAY: You are proposing that any one that should start before 7.A.M be paid double time. Actually they are working on there Monday shift. Not on Sunday.

SECTION 8.07.I.
CONWAY: I see what you mean. Go to the next one.

SECTION 8.08

HESS: The reason for the change is that we feel ten days isn't enough time. The same change goes for Section 8.08

SECTION 8.II
HESS: The Union feels that the Company should furnish the Union with a copy, of the studies. Other CompanY's do this.

RUDDEROW: We have never refused the Union permission to look at the studies have we.

HESS: No you haven't as yet, but we still want a copy.

SECTION 8.I7.

HESS: We want the entire second shift to be paid night shift bonus from the beginning of there shift.

CONWAY: You are proposing that we pay 07¢ for I6 hours.

HESS: Yes that is right:

SECTION:8.I9

HESS: The Union wants to add Brother-in law and Sister-in-law

CONWAY : Thats nice we also have a proposal on this.

#3 CONTRACT NEGOTIATIONS MAY 31, 1963

SECTION 8;21

HESS: The Union wants the starting rates of Male & Female employee's.

CONWAY: Recalled employee's already have served there probationary period. So you have no problem there. But we can hire new employee's and start them at whatever rate we wish to.

HESS: The Union is for the protection of all employee's counting those with less than thirty days. To lay-off any employee you must have a good reason.

CONWAY: The company feels the Union has no voice for any employee with less than thirty days.

SECTION 10.02

HESS: We feel that all employee's are entitled to at least one week in July or August.

RUDDEROW: Remember Hess we did that for the employee's in shipping.

SECTION 11.01

HESS: Add one new Holiday.
CONWAY: The Company wants to reduce your paid Holidays by one.
HESS: The big 4 got the 80% now, so we feel we should get this extra Holiday.

CONWAY: We gave the 80% two years ago, now what do we get in return?

HESS. Joe we want that extra paid Holiday.

SECTION 13.02.

HESS: The Union wants a list of all jobs that require a written test.
CONWAY: I hear you go ahead.

SECTION 14.01
HESS: The Union wants this section clarified.
CONWAY: Just want is wrong.
TARBUTTON: Joe when you reduced some crews You do it one way and the next time you do it the other way. Take the Spadone. You had three crews, and you wanted to reduce to two crews. So you took the youngest employee's out of the three crews Instead I feel you should take tne youngest employee according to senioirty out of each classification. Each classification in a group is different jobs, and that is the way I think it should work

CONWAY: I don't know who from management I am talking about but I also feel that each classification in a group job is different. And if we reduce a group we should take the lowest seniority employee out of the classification, that we are doing away with. Take the Spadone. If we reduced a shift we should take the lowest seniority Operator and the

CONWAY: THE LOWEST SENIORITY ASSISTANT OPERATOR AND ETC.
HESS: This is OK with the Union, just so it is worked one way.

SECTION: I4.01.5
HESS: We have had difference of opionun on this. The reason for the change it makes it understand able to all.

CONWAY: We understand the clause
HESS: What happens to an employee that makes one other bump according to this section and he or she can not qualify?

CONWAY: They go out the door. We at Lee's are more liberal than other Company's in this bumping.

SABOL: You are wrong Joe, the employee would be able to bump up to this seniority permits

SECTION I4.01.7
HESS: The Union will hold this for a later date. We are also holding Section I4.02 for a later time.

SECTION I5.04
HESS: We want to add PEACE CORPS. We will submit this later also.

SECTION I6.01
HESS: We feel that as long as we have employees on lay-off. You should not have any production Trainees

SECTION I7.01
HESS: The Union feels the bulletin boards are for Union use; we also feel that we shouldn't need the Company's approval to post any articles

CONWAY: In other words you feel------ no further comment.

SECTION I7.05.I

RONNAN: We will bring this up later.

SECTION I7.06
HESS: We feel that out of town people should be able to go to a Doctor in there home town. Such as Pottstown and Phila, and New Jersey.

RONNAN: I brought this up under safety. And we had some cases where employees were allowed to use other Doctors.

CONWAY: Yes we allow this in haddship cases.

SECTION I7.06

HESS: Your foreman in Dept 20 are working and this must stop.
CONWAY: I'll call this to Wayne Allan's attention.

SECTION I7.I8

HESS: We feel no work should be sent out of the plant as long as we have men that can do this work.

SECTION I7.I9

CONWAY: Looking directly at Tarbutton stated that the fellow that wrote the Union's proposal done a good job;

TARBUTTON: Thanks Joe. I admit I did write this proposal. Not bad is it.

SECTION I7.2I

HESS: We feel if any one works three hours overtime should get a meal

CONWAY: Where are we suppose to get it?

TARBUTTON: Thats your problem.

HESS: The Union will hold Schedules A.& B. for a later time.

HESS: We feel the Company should pay all group insurance for factory injury until such employees are released from Doctors and able to report for work. We are talking about laid-off employees.

HESS: We want the cleaning of the offices back in the bargaining unit.

CONWAY: Will you be willing to do this at no greater cost to the Co?

HESS: Show us the figures and then we will leave you know.

HESS: WE want weekly payroll deductions instead of monthly.
CONWAY: If the cost is greater will the Credit Union pay for it.
HESS: We will check on this.

HESS We also want 50% of the profit from the Vending Machines.

CONWAY: Clairmont said this is the only thing the Company makes a profit on; and now you want half of it.

HESS: We want the general wage increase that the big rubber companies gave.

CONWAY: That was 09¢ and 07¢

HESS: Thats right Joe.

CONTRACT NEGOTIATIONS May 31, 1963 AFTER-NOON SESSION

CONWAY: Does the Union have any more proposals.

HESS: Yes we are proposing you adopt the RUCKER PLAN. And are proposals aren't final as of yet.

CONWAY: The Companys proposals aren't final as of now.

CONWAY: The company has 5 important proposals and I would like your answer on these because I have a meeting with Cliarmont.

1. A GENERAL WAGE REDUCTION OF 25%

2. LIMITATION OF RECALL RIGHTS.

3. KEY JOBS. NO BUMPING OF THESE, AND RECALL TO KEY JOBS REGARDLESS OF SENIORITY.

4. ROLL BACK OF ALL 1961 COST ITEMS IN CONTRACT AND S.U.B.

5. NEW JOB EVALUTION.

CONWAY: These items are very important to the Company.

HESS: Joe we are very serious about these contract negotiations. Give us about ten minutes.

NEGOTIATING COMMITTEE HAD A RECESS FOR ABOUT 15 minutes.

HESS: Joe in regards to your request for a wage reduction are answer is NO.

CONWAY: Your not interested at all.

HESS: NOT right now Joe

HESS: Our answer to your proposal on recall rights is also NO.

CONWAY: We proposed the same as other industry. Rubber is out of line as far as recall is concerned.

SABOL: SENIORITY is a cost item, but recall rights is not. It is to your advantage to recall experienced employees.

HESS: WOULD YOU PAY SEPERATION PAY FOR ALL THE EMPLOYEES THAT LOST THERE RECALL RIGHTS.

CONWAY: I'LL have to get you this answer later.

HESS: What jobs are you proposing as key jobs, we would have to know before we can give an answer.

CONWAY. Tire inspectors, tire builders. calandar-operators, tube machine operators, Banbury operators, Bead builders. BANBER BASIS OPERATORS, dipper operator, and skill trades.

#2 AFTER NOON SESSION May 3I, I963 CONTRACT NEGOTIATIONS

4. COST ITEMS FOR I96I CONTRACT CONWAY:

8th Hoilday, extended funeral pay, vacation changes

S.U.B. money gains in I96I

Wages in I96I and I962 are included in 25% reduction

% 5. Job evalution CONWAY: We are talking about a complete revision of all jobs in the plant.

HESS: Are you telling us this could be another wage reduction besides the twenty five per-cent?

CONWAY: I don't know for sure I think it would be a joint committee.
HESS: Then it would have to be mutually agreed.
CONWAY: Thats a qualified answer providing it is mutually agreed. Clairmont is impressed in the Cooper contract.

UNION AGAIN CALLED A RECESS

HESS: ARE answer to key jobs.

Skilled trades you now have, unless an employee can qualify.

TIRE BUILDERS WE WILL CONSIDER THIS, WE KNOW YOU HAVE A PROBLEM. as far as the rest go aou answer is NO.

CONWAY: We will probably come back with a strict departmental senioirity and recall and lay-off rights

CONWAY: We are interested in cost of allowance rates. Could we agree on some relief this is a major problem.

HESS. Not right now.

CONWAY SECTION 2.03 I. We want to reduce this to 7
HESS: This is ok if you add the SECERTARY
CONWAY: That is ok tentively.

SECTION 2.03.5.
HESS: We won't go along with your proposal. We want to be able to acculmate the hours
CONWAY: Would the Union go along with no change?
HESS. We would go along with present clause.

SECTION 3.02

#3 AFTERNOON SESSEION CONTRACT NEGOTIATIONS MAY 31, I963

SECTION 3.02

HESS: The union can't go along with your suggested ghange.
CONWAY: Then your answer is no.
HESS: Thats right No.

SECTION 4.0I

HESS: Would you be willing to go along with the present clause?
CONWAY: We will consider.

SECTION 5.02
HESS: Will you be willing to drop your proposal?
CONWAY: We shall consider this.

SECTION 60I.I
HESS Would you consider dropping this.
CONWAY We will consider.

SECTION 6.0I.3
CONWAY THE company will leave as is OK TEMTATIVE

SECTION 7.0I.I

CONWAY: THE company is holding pat.

SECTION 7.0I.#3

CONWAY: THE company is holding pat.

HESS: The Union wants another paid holiday.

SECTION 7.0I 3 PARAGRAPH 6

CONWAY; We want to delete mother-in-law & father-in-law
HESS: The Union wants to Add Brother-in-law & sister-in-law.

SUB PARAGRAPH II

HESS: Would the company consider dropping this proposal of yours.
CONWAY: We will consider.

SECTION 7.0I.4
CONWAY: Company is holding pat on this.

SECTION or ARTICLE 8 is held for later time.

SECTION 9.0I

CONWAY: We will hold this for a later time.

SECTION 9.02
CONWAY: WE will hold for clarification.

#4 AFTERNOON SESSION CONTRACT NEGOTIATIONS MAY 31, 1963

SECTION 10.01.
HESS: The Union will not go along with a vacation change.
CONWAY: Hold this until later on.

SECTION 11.01

HESS We can't go along with your suggested change.
CONWAY We will hold fast .

SECTION 11.01.2
HESS: NO we can't go along with your proposal.

SECTION 11.01.9.

HESS: No change as far as we are concerned.

SECTION 11.01.10

HESS: No change at this time.

SECTION 12.01
SABOL No change.

SECTION 12.03
SABOL: What is your reason for this suggested change.

CONWAY: To cut down, the same as the recall rights
HESS: Our answer to your proposal is NO.

12.04

1. ok #2. Ok #3 NO, #4 NO, #5 NO, #6 NO, #7 No, #8 OK, #9 NO,

#10 NO.

SECTION 12.05 UNION SAID NO.

SECTION 12.08 UNION SAID NO.

SECTION 13.02 UNION SAID NO.

SECTION 13.05 HOLD

SECTION 13.10. UNION SAID NO.

ARTICLE 14 HOLD FOR BOTH PARTIES

SECTION 15.03 HOLD

SECTION 16.04 HOLD

#5 CONTRACT NEGOTIATION MAT,31, 1963 AFTERNOON SESSION

THE UNION SAID NO TO THE BALANCE OF THE COMPANYS PROPOSALS.

128A

3rd. [illegible]

JULY 7, 1963 1928A

[illegible] BOOK

[illegible] 9.30 A.M.

UNION REPRESENTATIVES
BABOL HESS
ROMAN TARBUTTON
YAROSINSKI BOKOSKI
VOLPE

COMPANY REPRESENTATIVES
CONWAY BARKETT
HIEL BERNSTIEN

CONWAY How do you want to start this session? Do you have any suggestions?

HESS: Did you get any answers from Clairmont on the major proposals?

CONWAY: I have a number of major items, that I can report on. One of items that we mentioned as very important is the job evalation, which the Company wants to install. The wage payment andstructure have never been scientific valued. We have had the same system as long as I can remember. At least 30 years. Some employee's are making $3.50 to $3.80 on jobs that don't require too much physical effort or skill. We feel that we must have this job. evalation to make this plant efficent and competitive. Most of our Competitors have gone through this job evalation. Cooper and Mohawk are vert aggressive in increas ing production and taking business away from Companies like Lee's

HESS: We gave you an answer to this at the last meeting.

Conway: You mean a joint Committee?

HESS: We want figures and etc. we are not giving you a blank check.

CONWAY: A joint committee is very expensive. Also a study.

SABOL: After we see your plan we will either aggree or not.

CONWAY: We are now working on some new proposals. As soon as we can get them ready I will give you a few copies, I hope I have them in time for your meeting on Sunday. What is your answer on the 25% wage reduction?

HESS: We gave you our answer on the wage reduction. We have a proposal for a wage increase.

TARBUTTON: Did the Company make any move on their wage request?

CONWAY: The Company must have the 25% wage reduction.

HESS: Joe, why do you have an attorney in the meetings.

CONWAY: We have this right.
We must revise the recall rights. We feel that we will never recall all the laid-off employee's. If business should get good, we might recall about 50% of them.

CONWAY: We must keep money in the pension for employee's that have Recall rights. We feel that the Company should have the right to drop some of these people.

We are not in the position to pay all of these employee's seperation pay.

SABOL: These employee's have their rights under the contracts.

CONWAY: Would you be willing to keep employee's on recall for 2 years, and then lose their recall rights if they would collect seperation.

SABOOL: We will consider all of your proposals.

CONWAY: Your position is clear in regards to recall rights. We want to roll back all the cost items we had in I96I. One Holiday; Vacation qualifications, 3 day extend vacation for death in family; and the additional cost items in the I96I S.U.B.

Clairmont said that he is willing to give back or consider giving back some of the things we must take no w, if business gets good.

CONWAY: We must have some of these key jobs, or a real strict departmental senioirty. We must have some of these. Tire builders are very improtant.

HESS: We are considering your proposals.

CONWAY: Are you talking about recall for tire builders out of seniority?

RONNAN: We are willing to talk about any problem you have. (During negotiations)

CONWAY: S.U. B. cost items added in I96I.
I. Where the benefit was increased $5.00
Article I2 Seperation Clause.

Our chances of staying in business depend on this. A large number of laid off employee's after 2 years of lay-off could collect seperation. The funded pension was more than we should of taken on in I96I. We are strapped with this for the next two years. This will cost us plenty. The Company is very much interested in eliminating Article I2 Seperation Payment. This is a very important piont. We should of never agreed to this in I96I Pension funding was more than we should of taken on.

TARBUTTON: You had a large amount of money set aside for pension before you had to fund it so it shouldn't cost you so much.

HESS: Did you make a stidy of the cost of seperation?

CONWAY: Yes, but not lately, but it would cost plenty.

HESS: You don't have too much of a problem, because if you operate the way you are now for 2 years you'll be out of business.

CONWAY: We would still have thisliability. I amm stating that these items are of prime importance to us if we are going to stay in business. If you flatly refuse I must report this to the proper company officials, for their instructions from here on.

SABOL Change on Article 5 3A Lay-off is in the control of the co.

CONWAY The intent is to cover an emergency, fire strike or electic company not being able to furnish us .

UNION PROPOSALS

CONWAY: We do not feel we can agree to this, We have no right to commit a sucessor, this would be his business not ours. We don't go along with this.

SECTION I.03

CONWAY: We feel this would create alot of problems. We don't see any need for this clause. You have Section I7.I9. This covers you.

SECTION I.04

CONWAY: We don't feel that we are in the position to accept this. The future is so uncertain. If something should come up we might be able to work out some t hing.

SECTION 2.03 This is OK , We have no objection.

SECTION 2.03.3

CONWAY: We must have as soon as possible in there. On a contionus operation this would hold up a entire crew. But we will work some thing out.

Proposals to increase cost; we are not in the position to consider. We might as well tell you now

HESS: We feel the same, we are not in here to take any reduction or give up what we now have.

CONWAY: Are you telling us to work under the old contract.

HESS: Would you be willing to sign the same contract?

CONWAY: We must have lower cost; but we might be interested. But we aren,t in the position to do this now.

TARBUTTON: Clairmont stated to us out in Akron that he would or could live with this present contract.

CONWAY: We must have this job evalation.

AFTER-NOON SESSION

SECTION 2.03.5

CONWAY: We feel by reason of smaller number of employee's the hours

HESS: You say you don't want to go along with the 100 hours. Just how often do we use them?
CONWAY; We are also proposing that we don't pay for any contract negotiations.
HESS: We are sticking with our proposal.

SECTION 3.01.
CONWAY: This is Ok in principal, but we should add for as long as may be deemed necessary to get the facts.

ARTICLE 4
HESS: We would like to have these cases in the plant.

CONWAY: We can consider.

INTERRUPTION of WORK
CONWAY: This is commonly found in every contract; so why should we be different.
HESS: Would you consider leaving this as is

Conway: We are not willing to leave as it is, because we have a new proposal on this.

SECTION 5:02
CONWAY: This could result in a cost item if the Arbitrator would drag out a case. Their should be a cap on this. The present contract should take care of a normal case.

HESS: If you discharge for a just cause; it will not result in cost.

SECTION 6.01.I
CONWAY: Why the change?
TARBUTTON: REPUBLIC HAS THIS' WHAT IS YOUR OBJECTION.
CONWAY: We will consider it, if Republic has it. It is still a management function, and we feel we should be able to change the hours.
HESS: You won't go along with our proposal ?
CONWAY: We still feel that the present clause is ok.

SECTION 6.01. 6
CONWAY: We feel that your proposal is not practical.
SECTION 6.01.7.
CONWAY: We feel that we could agree to the first part.(period after situation.) We don't think we should have to sit down and negotiation overtime with the Union.

SECTION 7.01.2. CONWAY:.
This would be a cost item, if we would agree to pay overtime for all Sat. work. Employee's could take a week day off and get overtime for Sat.

SECTION 7.01.3
CONWAY: We don't agree.

SECTION 7.01.4.
CONWAY: This would result in addition cost.

SECTION 8.07.I.

CONWAY: I would be worried about this because we could suspend the employee if he or she didn't satisfactory perform the work

SECTION 8o8
CONWAY: This would increase are cost. The employee's would be able to give us five (5) more days os sub normal production.

SECTION 8.09. CONWAY: Same remarks.

SECTION 8.I7.
CONWAY: A cost item, we are not in the position to consider. We must reduce are cost.

SECTION 8.I9.
CONWAY: Another cost item. We are trying to reduce our cost. We are proposing to delete mother-in-law & father-in-law and dependant in household.

SECTION 8.2I.
CONWAY: I t hink our revision has something on this matter. We agree it will be shown some where.

SECTION 10.02.
CONWAY: We are willing to work someting out on these lines. The Company shall endeavor to arrange vacations so all employee's will be able to take at least one weeks vacation in July or August.

SECTION II.0I
CONWAY: The Company wants to reduce the Holidays by one. Your proposal would increase are cost.

SECTION I3.02
CONWAY: The Company will give a list of these jobs but we reserve the right to add or substract according to conditions.
HESS: Mutually agreed.
CONWAY: I didn't say that.
SABOL: Start with a list and keep it until the contract expires. New jobs would be no problem.

SECTION I4.0I
CONWAY I think that we could agree with this

SECTION I4.0I.5
CONWAY: It is too expensive to the Company now. We should work some thing out to reduce cost. This bumping is expensive.

SECTION I4.07 B.
HESS: The Union has drop this proposal.

SECTION I4.02
HESS: Please hold this until a later date.

SECTION I5.04
CONWAY We don't see any need for this. It would be a cost item for pensionn and etc.

SECTION 16.01
CONWAY: We don't think this would be proper . 500 employee's on lay-off this would mean we would never be able to put on production trainees.

SECTION I7.0I
CONWAY We could work something out on these lines.

SECTION I7.05
CONWAY. Rudderow and Ronnan are bringing this up under their safty meetings.

SECTION I7.06.
CONWAY: We can work some thing out.

SECTION I7.I8.
CONWAY: If we could get thevwork done cheaper and faster we feel we should have that right. We don't like your proposal.
HESS: How about the part about other employees?
CONWAY; Are management proposal clause will take care of that.
FESS: Yes if we give you that you might as well take every thing. Wage reduction Jobs and etc. This isn't fair. You also want seperation pay also.

SECTION I7.I9
CONWAY: Same remarks apply.
SECTION I7.2I.
CONWAY: Another cost item. No.

SCHEDULE A. &. B. HOLD FOR LATER DATE
FACTORY INJURY.
CONWAY: THis would tend to increase our cost. Injured employee's are laid off according to seniority. We don't pay for group insurance for laid-off employee's. THIS WOULD ALSO REQUIRE THE RE*OPENING OF THE PENSION AND WELFARE AGREEMENT IF YOU WANT TO DO THAT IT IS OK WITH THE COMPANY.

OFFICE CLEANING
CONWAY: Cost once again; bringing it back in the bargaining unit wouldn't reduce our cost.
CREDIT UNION:
CONWAY. We will go along as long as Union agrees to pay the salary of two full time employees for this deduction.

VENDING MACHINES:
CONWAY. This is the only thing we make a profit on and we need it.

IN REGARDS TO WAGES. CLOSING OF BACK-MILL

JUNE 7, 1963

ESS: We would like to inform you that we want the OI/ that was allocated for wages for former back mill employee's for all employee. This was suppose to revert back the first of the month after closing the back-mill. The Union was offically notified on May 21, 1963 that the back mill was closed on May 24, 1963.

CONWAY : I,LL have to look this up, and take it up with the proper officials. After I get all the facts, I'll report the answer back to,ypu fellows.

GABOL: Are you telling us that we have an agreement and that it isn't any good. What good is Clairmont's Word? Refer to the letter dated August 31, 1962

CONWAY: I'll find out for you and report to you at the next meeting.

4th Meeting CONTRACT NEGOTIATIONS 129A June 11, 1963 1935A

UNION REPRESENTATIVES
SABOL HESS
ROMIAN TARBUTTON
YAROSINSKI VOLPE
DOKOSKI

COMPANY REPRESENTATIVES
CONWAY HIEL
NOTE. ONLY TWO COMPANY REPRESENTATIVES PRESENT

CONWAY: Do you have anything more to report Charlie?
HESS. No. But I personally feel that you aren't negotiating the way you should be.
CONWAY. Any changes in regards to the Company's major items?
HESS: No change in the Unions Position.

SABOL: Get Mr. Barkett in here because I have some remarks to make in regards to the Company's proposed wage reduction. The membership aren't convinced that they should take a wage reduction. Give them good stock and good machinery and they will build tires. Are members are as good as any in the industry

SABOL: There are some rates of Cooper. Plant average $2.98 not counting fringe benefits. Average for male employees $3.0I female $2.58
KEY JOBS. Passanger tires builders #3.I5 Fabric operator Calandar $3.30, Bead flipper $3.I0/ Banner bias operator $3.0I, Final inspection $3.36 with rates like this I don't know how you fellows got the rates that you quoted us. These rates are from Local 207 Findlay Ohio.

Arkon Local 6 Mohawk Banbury operator $3.50, Passanger Tires #3.56, also truck tires. Bag-O-Matic operator $3.6I, Fabric calandar operator $3.88, Tread tube operator $3.88 General Laborer $2.962 This is not counting any increase for this year if they received one.

Mansfield Oakland Calif. Plant average effective June8, I960 $2.88, Fabric calandar operatob $3.5I, Passanger tires $3.05 truck tires $3.I2, Bag O matic operator $3,5I , Tread tube operator $3.2I Fabric calandar operator $3,4I

BARKETT P.S. He came into the meeting for about I/2 hour at the longest.
BARKETT. We need a wage reduction because of the condition of the Co.
HESS. How do we average with the Mansfield plant in Oakland Calif.
BARKETT: Tire builders rates are about the same as here. We aren't questioning how good your members are.

BARKETT LEFT THE MEETING. HE WALKED OUT.
CONWAY. One other major item is this job evalation that we proposed.
HESS: Ok if after we see the figures and we mutually agree.
SABOL: Lets get this right we are not giving you a blank chack on any thing. We might agree and yet we might not agree --
CONWAY; The I96I cost items in the S.U.B. agreement is a major item. Can we get together on this?
SABOL: What is your position on laid-off employee's collecting S.U.B. er holding their recall rights.
CONWAY: 5 Year employee's would have recall rights for six (6) months other employees one year. The Companytook on too much

CONWAY: when they took on the increase cost in the I96I S.U.B. and the Funded pension. The pension funded plan is very expenseive 500 employees on lay-off we must have the I96I cost items rolled back. ALOt of the company proposals are only clairification

SABCL: We want this contract worded so our menbers can understand the wording.

CONWAY: These proposals aren't drafted by lawyers as you stated before

SABOL: You are not kidding me or any member, we know who wrote these.

CONWAY: Are you proposing that we drop our proposals?

SABOL: Do as you like. But I say get your stock and machinery in order

HESS: The Union has a proposal on wages.

CONWAY: THE COMPANY THROUGH OUT THAT PROPOSAL.

CONWAY : Are last understanding was the Union might consider Tire Builders; is this correct?

HESS: We shall consider if we reach and agree ment on the rest of the contract. We are not giving you nothing on key jobs at this time

CONWAY: We should try and work something out tentively on key jobs. I96I cost items are another important item, 3 days extended vacation funeral pay is another item, so is the I96I SUB 5.00 increase and also the Seperation clause and the one Holiday negotiationed in I96I.

SABOL: Just how much does that extended vacation funeral pay cost you?

CONWAY: I don't know.

SABOL: It couldn't cost you much: it doesn't happen that often.

CONWAY: It is still a cost item.

HESS: Your side agreement on tire builders out of seniority expires on June 30, I963. Tire builders out of seniority then must be laid-off.

SABCL: Unless the side agreement is extended or re-negotiated.

COMPANY LATEST PROPOSALS

SECTION I.02 change to Section I.04

HESS: This is not a cost item; we feel the language in present contract is satisfactory.

SECTION I.02/

SABOD: Section I.0I in present contract covers this.

SECTION I.03

SABOL: Just what do you mean by this change?

CONWAY: We mean learners thats all

SABOL: Just how do you interpert a learner?

HESS: What would be the base rate for a learner.

CONWAY: I personally don't think it should be mentioned in this clause job evalation should include this rate.

HESS: What is your proposal meaning?

CONWAY: We are trying to do away from misunderstanding. Transferring from one machine to another isn't a new job, Transferring from one job to another is a new job.

HESS: At the present time we will not go along with this. we have never had any problems, and it is not a cost item.

4th MEETING JUNE 11,1963

SECTION 2.03.I PAGE II Sub A,
SECRETARY OF UNION INCLUDED. OK TENTIVELY

SECTION 2.03.5.
HESS. The Union has aproposal,on this also. How do you feel about this?
CONWAY: The accumulation of hours we don't agree with. We feel that 50 hours is enough; we do not like accumulation because it could mean alot of meetings just to use the time.
SABOL: We would have to have a reason in order to call a meeting.
CONWAY. We agree that we have no problem as of now, but maybe later on we would.

SECTION 3.02.
HESS: When did you have a problem on this.
CONWAY: We have had no problem as yet; but we could have one later.
SABOL@ You are presently covered in the Arbitration clause.

SECTION 4.0I.
HESS: We are turning you done flat.
SABOL: The present agreement covers you and so does the law.
SECTION 4.0I.I.2. NO COMMENT.
SECTION 5.02
HESS: The Union has a proposal on 5.02. What does the company think of our proposal
CONWAY: We feel we should have a limit in this clause, We don't want any arbitrator to drag a case on and on, and then making the company pay for the delay. Are answer is NO at this time.

SECTION. 6.0I.
CONWAY: We don't want any body mis-understanding this clause.
SABOL: When did we ever say we had a guarantee?
CONWAY: We are only trying to avoid any mis-understanding.
SABOL: We are saying no, you people are not interested in reaching an agreement.

SABOL: You people are not consistent; duplication in one place and not in another. No at this time.

SECTION 7.0I.I
HOLD. Question regularly scheduled
SABOL: We never requested it on both.

HESS: We are holding fast at this time.

SECTION 7.0I.3.
HESS: Union is requesting an additional Holiday.

Sub Paragraph 6.
HESS: The Union wants to add Brother-in-law and Sister-in-law.

SUB. PARAGRAPH 7.
HESS: The Union answer at this time is NO.

TARBUTTON: Just how much does this cost the company?
CONWAY: I don't know right now.

SECTION 7.01.4.
HESS: The Union has a proposal on this.
SABOL; If they have the right to refuse; we might consider;
HESS: The company's proposal is not satisfactory to us, at this time.

SECTION 8.01 (last sentence)
SABOL: COMPANY'S methods and machinery are different, your proposal would not work; we will stick with the present clause.

SECTION: 8.02.
SABOL: This section is connected with job evalution.
CONWAY: Hold article 8, until we give you are Article 10.

SECTION 9.01.
HESS: We are willing to keep it as is.
SABOL: Just what do you people call a major break down?
CONWAY: Tread tuber is a major break down. Also other machinery.

SECTION 9.02 PRESENT 9.03
HESS: We are OK but just for renumbering; and nothing else.
SABOL: Leave it as it is. No problems.

SECTION 9.03
SABOL: Your proposal would make it confusing, thats all.

HESS: We asked the company to let the Union employee's clean the offices again. Give us the figures and we will check, and consider.
CONWAY: We will check into this.
HESS: We will have to know the amount of hours, and the number of employee's it takes and etc.
CONWAY: I will have to see, what I can get for you. Supervision has been cut and we would not have a foreman available at the time we must do this work.

HESS: Do you have any answer on that 01¢ in regards to the closing of the back mill.
CONWAY: Top management must give me an answer to this. No answer from top management as of yet.
SABOL: We have an agreement, and it is good.

UNION PROPOSALS COMPANY'S REPLY.

SECTION I.03
CONWAY: We think this would only add to the confusion.
SABOL: It is in the Cooper agreement Joe.

SECTION I.04.
CONWAY: The company is not in the position to accept this at the present time. we are not in the financial position right now. It might be possible to discuss this in the future if we do make a georgraphical change.

SECTION 2.03.I SUB PARAGRAPH (I)
CONWAY: This change is OK.

SECTION 2.03.3 SUB PARAGRAPH (2)
CONWAY It is not practical to delete this. It is necessary.

SECTION 2.03.5.
CONWAY: We gave you our answer on the accumulation of hours. We object to this.
Hess: Is the present clause ok with the company?
CONWAY: We told you before that we wanted to elimate negotiations.

SECTION 3.01. SUB PARAGRAPH (3) ADD PARAGRAPH A.
CONWAY: We would be inclined to go along with this in prinicple, but we would say. FOR AS LONG AS MAY DEEM NECESSARY TO GET THE FACTS.

SECTION 3.02 ARBITRATION IN THE PLANT.
CONWAY: We will be glad to consider. We have no objecbion if we can work it out.

ARTICLE 4 INTERRUPTION of WORK.
CONWAY: This is a common clause in most contracts. We have a compny proposal on this. We reject your proposal to elimate it.

SECTION 5.02
CONWAY: We feel that it is only fair to have a maximum of 75 days.

SECTION: 6.01.I
CONWAY: I know that it is the Republic agreement, but we are rejecting your proposal.

SECTION 6.01.6.
CONWAY: It is not practical to elimate insofar as practical. We would not be able to contbol the overtime. We could not keep the records. Also we would receive to many grievances.

SECTION 6.01.7.
CONWAY: We have no objections to the first part,we suggest a period after the word situations.
HESS: The Union will consider, or maybe revise it.

SECTION 7.01,2. and 7.01.3.
CONWAY: We can't go along; this would be a cost item. We must have some safe guard for work performed on the sixth day.

SECTION 7.01.4.
CONWAY: This would be an other cost item. We will check on past overtime in regards to this section.

ARTICLE 8:
HESS: We will hold this until we receive the company's proposed article 10.

SECTION 10.02.
CONWAY: This could be worked out. If wording were on these lines: THE COMPANY SHALL ENDEAVOR TO SCHEDULE VACATIONS SO THAT ALL EMPLOYEE'S WILL BE ABLE TO TAKE ONE WEEKS VACATION JULY OR AUGUST. This can be worked out.

SECTION 11.01.
CONWAY: This is a cost item, and the company is proposing a reduced Holiday.

SECTION I3.02
CONWAY: We have no objection to this but we would reserve the right to add or subtract from the list.

SECTION I4.0I
CONWAY: Your clarification we have no objection to.

SECTION I4.0I.5.
CONWAY: This is now too costly to the company.

SECTION I4.0I.8.
HESS: The Union droped this proposal. See we gave you that one.

SECTION I4.02
HESS: The Union will hold this until a later date..

Section I5.04
CONWAY: We object to this ,we would have keep pension rights and this is to costly.

SECTION I6.0I
CONWAY: This would not be practical; you would be tieing our hands.

SECTION I7.0I.
CONWAY: We still feel we have the right to approve. No problems with what we now have.
HESS: How about the Cope posters you don't leave us post them and that is Union business.

SECTION I7.05.I
HESS: Hold up on this for the time being.

SECTION I7.06
CONWAY: I stated before that we could work something out in regards to Doctor visits.

SECTION I7.I6
Conway: I handled it once. But I'll talk to Wayne Allan again.

SECTION I7.I8.
CONWAY: We don't care to go along with your proposal.

SECTION I7.I9.
CONWAY: We can not accept your proposal.

SECTION I7.2I
CONWAY: We don't feel that we could go along with it. It would increase our cost.
VOLPE: Would we have the right to leave the plant and go eat?
CONWAY. You might be able to work this out with the foreman, if it were a long period of overtime.
SABOL: I suggest that the company draw up a proposal in regards to employee's chances to leave the plant to eat.

FACTORY INJURY PROPOSAL DROPED BY UNION

PAYROLL WEEKLY DEDUCTIONS FOR 227 CREDIT UNION
CONWAY: I gave you are answer about 2 full time employee's paid by the credit union.

4th MEETING JUNE II, 1963

HESS: Would these employees be able to up the Union Hall and work the balance of the hours, that they wouldn't be doing credit Union work?
CONWAY: I'll find out.

VENDING MACHINE PROFIT.
CONWAY. We don't go along with your proposal.

WAGES.
CONWAY: WE are asking for a 25% reduction in wages.
CONWAY: The 1961 cost items are our biggest problem. 8th Holiday; Extended Funeral pay and mother-in-law and father-in-law. 1961 S.U.B. cost items Vacation change from II years to 10 years and the change from 25 years to 22 yrs.

We feel that something could be worked out in regards to 8th Holiday; if we can elimate the S.U.B. Seperation pay item. There is an area for negotiating something.
HESS: You are going to give us $1.00 for a $1,000 return.
CONWAY: I don't know the ratio in money. We do feel we could work this out if we get the S.U.B. Seperation cost item

CONWAY: The way that I see things , the position of both parties is same as it was on Friday. I personnally feel that an afternoon session is not justified.

CONWAY: How about a full meeting on Friday of this week and we are willing to meet on Wed, and Friday of next week.

CONWAY: We will not agree to the big 4 S.U.B. increases for 1963 because they are cost items.

CONWAY: Lets break up for lunch and report back at 2.P.M.
HESS That is ok with us.

NEGOTIATIONS ON S.U.B, JUNE 11, 1963

AFTER-NOON SESSION

UNION REPRESENTATIVES		COMPANY REPRESESENTATIVE	
SABOL	HESS	CONWAY	HIEL
ROMAN	TARBUTTON		
YAROSINSKI	BOKOSKI		
VOLPE			

NOTE: ONLY THE TWO MENTION NAMES ABOVE WERE IN THIS MEETING.

HIEL WAS I/2 HOUR LATE. SUGGESTED I/2 HOUR OF 1009 TOTAL 3 I/2 HOURS

TIME 2.30 P.M.

CONWAY: This S.U.B. agreement was originality started for unemployment benefits. We propose to make it more simple or plain with the same credit units, but only payable if you collect an unemployment check. We propose a $5.00 reduction from $35.00 to $30.00. We are proposing to delete Article 12; Seperation payment.
This about the extent of our proposals for S.U.B.

UNION PROPOSALS FOR S.U.B.

HESS: We are proposing the same increases that the big 4 received. They are important and major to the Union.

CONWAY: They are increases that would increase our cost. We are not interested in any proposals that would increase our cost.

HESS: The Union is sticking to the proposals that the big 4 received. We are stating we want those increases and changes.

CONWAY: We have no meeting of minds here to-day. All thses items are cost items. This company needs its proposals in order to reduce cost. It appears to me that we are at a stand still on S.U.B.

HESS: I am bringing in CURTIS TREEN or someone when we negotiate S.U.B.

CONWAY: You had better ask him if he is willing to come in here if he knows that we aren't willing to increase our cost.

HESS: When we discuss S.U.B. don't you think it would be better to negotiate jointly with Republic.

CONWAY: If we have to pay travel, lost time and etc for 7 or 9 people; the arswer is no. If we don't have to pay this we might be interested.

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5Th MEETING JUNE 14, 1963

UNION REPRESNTIVES
SABOL HESS
RONNAN TARBUTTON
BOKOSKI VOLPE
YAROSINSKI

COMPANY REPRESENTATIVES
CONWAY HIEL
BERNSTIEN

CONWAY: I repeat that the company has 6 or 7 major items, that we must have. You fellows commented on all items; I have discussed some of your thoughts with Mr. Clairmont. If the Union would accept these major items in principal. We shouldm't have too much trouble in reaching an agreement. Job evaluation proposal you accepted in principal. I know that the Union stated it must pass on this before its adoption. We not have the ground rules for administering job evalution.

We find that Coopers fringe benefits compared with Lee's are much lower. Lees funeral pay is 90% higher. Lees funded pension is 40% higher than Coopers

SABOL: I don't think this comparison is just; because of the differences in seniority.

CONWAY: This is makes our cost hogher.

THE UNION STATED THAT THEY COULD NOT GO ALONG WITH THE COMPANPIES SUGGESTED CHANGES AT THIS TIME.

CONWAY: If the Union insist that nothing can be done in regards the 25% reduction. I can't see where it would be worth while going over the other items.

HESS: We don't see where conditions warrant this reduction at this time.

NEXT MEETING AT IO O'CLOCK WED. JUNE I9, I963

HARVEY McCURDY RETIREMENT MEETING

JUNE 14, 1963

HESS: I have a list of questions that Brother McCurdy would like to have answered.

I. What will my early retirement benefit amount to per month?

CONWAY: I will have to get this figure. I'll try and have it by Tuesday of next week.

2. Will the Company contest my application for unemployment Comp?

CONWAY: If his unemployment were terminated at no fault of his own We would not contest; because it would be no fault of his own.

3. Can we convert Group Insurance ?

CONWAY: He would be covered if he goes out under any kind of pension His life insurance can be converted by Provident if he applys within 30 days. He would have $2250.00 ~~worth~~ amount of life insurance under the pension agreement.

4. What is the benefit for permanent and total disability?

CONWAY: $50 and 460 monthly for years of service.

5. Will the company give him any recommendation for a job that I might be able to perform?

CONWAY: If he can find a job, we would help him get it if possible; but the other employer would have to determine this. Physical conditions limit him from performing any thing here.

SABOL: There is not any job in this plant that he could perform?

CONWAY: There is no job left here for him; we did try you know.

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7th MEETING CONTRACT NEGOTIATIONS JUNE 21, 1963

FEDERAL MEDiator L. McGEE

UNION REPRESENTATIVES
GARBER SABOL HESS
RONNAN TARBUTTON VOLPE
YAROSINSKI BOKOSKI

COMPANY REPRESENTATIVES
CONWAY HEIL
BARKETT BERNSTEIN

SABOL: JOE on the subject of vacations , we want this clear that when we were talking about 2% we mean on the gross earnings.

CONWAY: We reached an an tentive agreement on the following as near as I can recall.

I. Vacation pay formula Gross earnings with a minimum.
2. Some consideration for seniority for key jobs.
3. Job evalution will be given consideration. 3rd party be be
4. called in if necessary.
4. Minor compromise for termination.
5. Safety committee_ this could be worked out.

CONWAY: recall rights Company will change position from six months to one year. If recall runs out we would recall with old se seniority. Not for key jobs.
Job evalution same as Cooper; if Union pays their own representatives.

Hess: Who pays this at Cooper?
CONWAY: I don't know, but I will find out.
For S.U.B. we will drop our propsal as far as the 1961 increase of $.00 goes and also the supplement S?U,B. payments

UNION PROPOSALS AGREED OR POSSIBLE AGREEMENT.

I. Section 2.03.I AGREED TO.
2. SECTION 3.0I agreed to extent of verify imformation required.
3. Arbitration in the plant. We feel this could be worked out.
4. SECTION 6.0I.7. We agree in part. up to situations period.
SECTION 8.II Ok data if not removed from the plant.
SECTION 8.2I. AGREED
SECTION I002. Agreed we will try to work this out to the best of our ability.
SECTION I3.02 Agreed if we can add or subtract from list.
SECTION I4.0I This could be worked out
SECTION I40I.7 UNION DROPPED
SECTION I7.06 This could be worked out.
SECTION I7.I6 Foreman working we did check this once,

CONWAY. About the factory Injury insurance. we will open agreement if the Union desires..
GARBER: Open only for this one article?
CONWAY No for the whole contract.
Vacation. if you work 48 hours your vacation would be figured on 48 hours and not 52. Straight time for vacation pay for all hours

HESS: We would like to hear a report on the meeting of the Ecuctive Board or committee.

CONWAY: I did report back to the Executive Committee and I'll give you the Companys position as of now.
I. 25% wage reduction is a must,
2. job evalution. we will call in an outside industrail eng. employed by the company. The Company position is changed to call in a third party and each party will pay half Union and Company

GARBER: Have you done anything about the ground rules; measuring stick; excepted earnings and goals. Do you have anything on these.
Conway; We had originally had ground rules to submit, but we have not gone into it to much. We want an agreement on principle
GARBER: Are you proposing the Cooper plan?
CONWAY. Yes, we are.
GARBER: Would the joint committee have full authority in establishing rates and base rates.
CONWAY: We want an agreement on principal.
BARKETT: We are talking about base rates only; piece rates would not change. Tire building would be first.

KEY JOBS: CONWAY: We still need the list of key jobs that we first proposed.
HESS: We feel that you have no need for all these key jobs because you have key jobs when you have group jobs.
CONWAY: We have accepted your proposal on tire builders, but we need more.
GARBER: Maybe we can work something out like Firestone has on Seniority for key jobs,.
CONWAY: Recall rights change to Iyr. No other change. After termination of recall rights if any employee is recalled he will given back his seniority as of the date of lay-off. recalls will be in order of senioirty.

HEIMRICH: read a statement perpared by the executive committee
BERNSTEIN: Left to write up an agreement for a day to day basis.

CONWAY. Recalling and lay-off cost very expensive.
GARBER: How about this back mill agreement. OI¢
CONWAY: It is a JuneI, liability. We feel there is a dispute on the first I/2¢ we might have a commitment for the month of June.
CONWAY: Off standard payments. Company position the same (90%

CONWAY: When we were discussing proposed Article IO. we said any change in rates would be made in I20 days but Sabol said this was too long, so we will drop this time to 90 days
GARBER: For off-standards we suggest 3 seperate items.
I. non applicable piece work
2. no change in present contract,
3. process seperate rates for parts off standards.

2. Tire builders assigned to other machines on which he has had experienced. If you could get some assurance of production. we might go for a guarantee of 2 hours at average earnings plus whatever piece work he makes.

#3 JUNE 21, 1963

GARBER:

#3. Where no rate is established pay 95% all the way through

CONWAY. This shall bear futhure consideration on the part of the company.

CONWAY: 1961 cost items

We are willing to go along on a supplement S.U.B.

5.00 1961 increase in weekly benefits..ok

VACATION PERIOD can remain the same as in old contract

8th Hoilday no change in Company position

SEPERATION PAY no change in company position

Extended Funeral pay no change in company position.

MANAGEMENT RIGHTS CLAUSE NO CHANGE IN COMPANY POSITION

TERMINATION WE CAN AGREE TO SOMETHING BETTER

RETURN OF NON BARGAINING EMPLOYEES WE WILL WORK SOME THING OUT

BUT WE NEED RELIEF

MEET IO MONDAY MORNING

8TH MEETING CONTRACT NEGOTIATIONS JUNE 24, 1963
FEDERAL MEDIATOR MR. L. McGEE

UNION REPRESENTATIVES
GARBER SABOL HESS
ROMIAN TARBUTTON
YAROSINSKI VOLPE

COMPANY REPRESENTATIVES
CONWAY HEIL
HEINRICH

CONWAY: Memorandum of understanding. The Union requested some changes. But all we want is an orderly procedure in case of a shutdown.

HEINRICH: Fellows all we want is a seven day notice in event we have a shutdown. We are thinking of the customers; spoilage; You have requested certain changes that we cah not agree to. We will agree that we will give you all the benefits you now have under exsisting contacts for this requested period.

GARBER: Suppose the Union doesn't sign such an agreement, What happens?

Heinrich: I don't know what will happen, Phillips wanted their molds and other companies want their orders filled or else they will cancal.

HEIL: Hess I wish to advise you that the Union has used up the I00 hours on June I9, I963

HESS: This side agreement for an extension is not really negotiation I think this time should come under I009

HEINRICH: This is part of negotiations, this is our position. This extension is something that effects all of us.

CONWAY: What is your position on this day to day proposal?

HEINRICH: Please give us an answer to*day.

HESS: I will get my Executive Board to-gether to-nite.

GARBER; I will give you some fringe benefits of the big 4 and some of your Competitors:

CONWAY: We want figures from companies our size and ones that have operations like us. And not the big 4

HEINRICH: We mean Mohawk, Cooper and Mansfield. Have you the report on Mr. Barboo study?

GARBER: Yes I have a copy of his study and we can debate this. His report states that he wants a meeting to go over and explain this report. I don't think you are capable to give a report on this.

GARBER: Legal required payments GOODYEAR I962 .14.7 FIRESTONE .I3.9 U.S. RUBBER .I5.6 GOODRICH .I3.4 GENERAL TIRE fringe $I.I389 Akron plant only .(3000 people)
AVERAGE STRAIGHT TIME EARNINGS AVERAGE $3.0I
AKRON PLANT $3.I23 WACO PLANT $2.836

GARBER: LOCAL 207 COOPER. FINDLAY, OHIO.
A.S.T. EARNINGS 1961 $2.837 PLUS 075 for 1961 plus .07 for 1962
They have fringe benefits 8 holidays at double time Vacations
requirements are 3/10/ 22 Years. Night Bonus .05 & .07
funeral pay jury pay and S.U.B.

ARMSTRONG.
A.S.T. EARNINGS 1962 Annual $2.905 (749 employees) Gross A.S.T.
EARNINGS (OVERTIME) $2.99 . 36% of employees on piece work.
Legal required payments .174 PENSION .135 Supplement workmans
Comp. makeup .006 night bonus .05 and .07.

LOCAL 539 WEST HELENA, ARKANSAS. MOHAWK RUBBER COMPANY
A.S.T. EARNINGS MAY 1960 $2.66 plus OCT. 1960 .16¢ plus 1961 .09¢
and .89¢ for 1962. 8 Paid Holidays night bonus .06¢; funeral pay
military pay; jury pay; vacation requirements 3/10/ 22

HEINRICH: How about Dunlop rates.
GARBER: They are higher tan yours. They were higher than the big 4
They did cut some rates because of this but they also incre
ased some other rates. TREAD TUBE OPERATOR $4.04

LOCAL 154 DENVER, COLORADO GATES.
A.S.T. EARNINGS 6/61 $274 plus .045 increase plus bonus or service award
award ranging from 03% to 10%. 8 paid Holidays. Vacation require
ments 3-10- 22 06¢ night bonus for 12 hours; funeral, jury, and
military pay. And S.U.B.

WEST HAVEN ARMSTRONG
A.S.T. EARNINGS $2.886 male and female. Gross $3.072
fringe benefits cost 1962 .855. Leagal required payments .152
pension .134 Supplement workmans comp. .002 for 1962

SABOL: I would like to state once again that our members are as
good as any one elses employee, and if they are given the
material to work with and enough stock to keep them working
they will and can produce as much as any one else.

GARBER: Is there any money in the funded pension fund? Or is
just the interest paid?

HEINRICH: Yes the money is in the fund but I don't know how much.
But whatever we were suppose to put in was put in.

CONWAY. $109.157 pit in the fund for the first six months this year

HEINRICH: Payment has been made.

HESS: We have 15 major proposals
I. Successor Clause.
CONWAY: Our position is that we don't feel we have the right to
negotiate for any successor.
HESS: This not a cost item.
HEINRICH: We reject your proposal.

2; SECTION I.03 AUTOMATION of JOBS
CONWAY: We don't think that we need this. If work is changed by
Automation it would continue in the barganing unit. This is not NECESSARY.

#3 8TH MEETING JUNE 24, 1963

#3. GEORGRAPHICAL RELOCATION
HESS: This means the expense of employee moving
CONWAY: If something should come up, we might work something out but we are not in the position now. We are not giving you a blank check.
GARBER: Do you have a counter proposal on this
CONWAY THE WORDING IS NOT SATISFACTORY.

#4. SECTION 2.03.5. ACCUMALATION of HOURS.
CONWAY: This is not satisfactory at this time.

5. SECTION 6.01.7. SCHEDULING OF OVERTIME.
CONWAY: We did agree to the first part . not the last. (period after the word situations)

6; SECTION 8.II Data ok if not removed from the plant.
HESS: You said if we can get or make a copy this would be ok.

7; SECTION I5.04 ADD PEACE CORPS.
CONWAY: This would be a cost items
GARBER: You might never have this used.
CONWAY: We never know. Company position hasn't changed.

8. SECTION I7.I8. OUTSIDE CONTRACTORS
NO COMMENT

9. SECTION I7.I9 DISCONTINING OPERATIONS.
CONWAY: Wouldn't this be nice.

I0. SECTION I7.2I MEAL TICKETS.
HEINRICH: I never heard of a half meal ticket.
TARBUTTON: We never had a problem on this until you stopped it. If a man works past his regular meal time, you should at least feed him.

II. OFFICE CLEANING BACK IN THE UNION:
CONWAY This would ad to the cost.
TARBUTTON: We asked you for wages hours and number of employee involved; maybe something could be worked out.
HESS: This correct and Joe was going to get us this information.

I2. WEEKLY PAYROLL DEDUCTIONS FOR LOCAL "227 CREDIT UNION.
HEINRICH This would involve cost, and we are thinking about changing the system of using I.B.M.. Because of expense.

I3. 50% of profit on Vending Machines.
HEINRICH: This is the only thing we make a profit on.
TARBUTTON: You guys are telling us you lose on every thing, if this is correct you aren't very good business men.

I4. WAGE INCREASE .09¢ for I963 and .07¢ for I964.
No Comment.

I5. S.U.B. increases the same as big 4 negotiated.

#4 MEETING JUNE 24, 1963

CONWAY: We did state the financial position of the Company before. and you each got a copy of the stockholders report. We have low production and our cost is very high. We are not in the financial position to agree too or give any concessions or exceptions to any item that will cost us any money. This is our position as of now.

HEINRICH: When will you leave us know about the extension that we asked you for. When will you call you Board to-gether.
HESS: I'll call a meeting for to-nite.
TARBUTTON: When do you want to know? Friday of this week.

HEINRICH: I guess that is when I'll find out.

NEXT MEETING IO'P.M. Wed. Morning June 26, 1963.

1334 B

1952A

(9th MEETING JUNE 26, 1963 CONTRACT NEGOTATIONS
FEDERAL MEDIATOR L. McGEE

UNION REPRESENTATIVES
GARBER BABOL HESS
ROMNAN TARBUTTON VOLPE
BOKOSKI YAROSINSKI

COMPANY REPRESENTATIVE
CONWAY HEIL
HEINRICH

CONWAY: Opening statement in endeavor to accelerate a settlement. We have reviewed allof our proposals. We will suggest revisions to our proposals as evidence of companys good faith. These revisions are not cost items and will not have any serious effect on the reduction of cost items, that the company so needs. I am perpared to list the items.

SECTION I.02 Delte
SECTION I.04 proposed by company dropped. Present Section I.02 will remain as is.
SECTION I.03 Delete words in second line HOURLY AND PIECE WORK AND DELETE LAST FIVE LINES OF PROPOSALS

ADD NEW SECTION I.04

LEARNERS SHALL BE EITHER A NEW HIRED EMPLOYEE OR AN EMPLOYEE START ING ON A NEW JOB, IRRESPECTIVE OF DURATION OF EMPLOYMENT ON ANY OTHER JOB.

SECTION 3.02 ARTICLE DROPPED BY COMPANY

SECTION 4.0I COMPANY PROPOSED TO ADD THE FOLLOWING Which shall however apply only for the purpose of establishing the respective facts justifying discipline or discharge as above mentioned.

CONWAY: There would be recourse to the grievance procedure in estab lishing the facts.

GARBER: Isn't the scope of the penalty subject to the grievance procedure?
CONWAY. No, it isn't.

SECTION 5.02 PAGE 20 drop the last four words AT THE COMPANYS OPTION.

SECTION 7.0I.I Next to the last line drop IN THE COMPANYS OPINION.

SECTION 8.0I Delte IN LINE WITH COMPETITION. and add on the end SO AS TO ENABLE THE COMPANY TO BE COMPETITIVE.

SECTION 8.02 PARAGRAPH I
CHANGE $I.I5 to $I.40

SECTION 8.I2 Page 9. ADD providing the Union agrees to pay the time spent for the Company representative in this training.

SECTION 9.0I PAGE I4. Change to AT HIS ESTABLISHED DAY WORK RATE.
CONWAY: We will hold this to resmit later.

CONWAY JOB EVALUATION ARTICLE 10 PAGE 15.
We are proposing a revised 10.02 June 26, 1963 in place of 10.02 on page 15

GARBER ; First three lines CLASSIFICATION of JOBS and NEW JOBS. You need levels. Do your levels increase or decrease the present levels?

CONWAY: Our objective earnings of our people would not be less than Cooper or Mohawk on similar jobs. Also the bench marks and the ground rules when this job evaluation is lined up/

GARBER: Have you contacted Cooper to get this information?
CONWAY: We know pretty well what Cooper is doing.
GARBER: Cooper rates are nearly the same as yours and in some instances they are higher. Is this what you are proposing?
CONWAY. I am not familiar with there plan.
HEINRICH: We will try to work something out.
CONWAY: We got this job evaluation out of the Cooper contract.

ARTICLE II VACATIONS. We will drop our propsal and go back to 10 years and 22 years.

SECTION II.02 PAGE 22 No minimum Straight time earnings.
GARBER How about Sat. and Sunday work.
Conway We can not change this at this time.
Hess: How about Union Business time? We want all Union Business considered as far as vacations are concerned.

SECTION II.03.2 CHANGE to add important business needs
SECTION II.05 PAGE 25 CHANGE II to 10 and 25 to 22
as far as the twenty six weeks are we will drop our proposal of 1004 hours for futhure consideration, pull

PAGE 25 item #3 delete due to sickness or injury.

SECTION 13.01.1 Delte in its opinion.
ITEM F. Change from 6 months to one year. and add to the end.
SHOULD HOWEVER ANY SUCH TERMINATED EMPLOYEE BE REHIRED BY THE COMPANY THEN HE SHALL REAQUIRE THE SENIORITY HE HAD AT THE TIME OF HIS TERMINATION.
GARBER But you will recall according to seniority?
CONWAY. We would not be able to rehire according to seniority
GARBER: That is not what you told us the other day.
CONWAY: Don't you try to put words in my mouth.
GARBER: I am not trying to put words in your mouth or any ones elses mouth but that is what you agreed to the other day.
SECTION 13.08 If we get key jobs we will drop bold print in the first three lines.
SECTION 14.02 DROPPED BY COMPANY
ARTICLE 15. DROPPED PROCEDURES.

SECTION 16.03 dropped by company.
SECTION 17.04 PAGE 33 DROPPED BY COMPANY
SECTION 18.17.1 5 LINES FROM THE BOTTOM DROP
TO DETERMINE THE WORK PACE AND WORK PERFORMANEE LEVELS.

GARBER: These are your minor proposals .Do you have any changes in your major changes.

CONWAY: I. 25% wage reduction no change.
2. Job evaluation we are attempting to work some thing out. That would be mutually satisfactory.
3. Key jobs no change we will drop department seniority.
4. Recall rights change from six months to one (I) year.
5. Off standard payment no change.
6. I96I cost items! No changes except VACATION back to I0 and 22 years $5.00 S.U.B. reduction dropped by company and we will work out something for Supplement S.U.B. payments in case state would increase or decrease

7. Managements rights clause
NO CHANGE OTHER THAN STATED EARLY TODAY.

8. Termination date SEPT. 30, I965 no change as Hess with drawed your minor suggested change.

9. Foreman returning to bargaining unit.
We need relief we will give you a new proposal on this we are willing to work some thing out.

I0. VACATIONS Our position is still the same 2% onstraight time earnings no guarantee of any amount.

AFTER-NOON SESSION BERNSTEIN SHOWED UP.

CONWAY. In regards to Menorandum of understanding. Hess gave us a ca call rejecting this. His Executive Board turned this down. Following this word the Executive Committee sent out a letter to HESS SABOL and GARBER a registered letter of this Menorandum.
HEINRICH. This offer is open at all times during negotiations.
GARBER: We are willing to talk about any thing as long as you wish.
CONWAY: You made certain remarks to 4 of our major proposals.
GARBER. We are willing to talk about all those 4 or any others.
CONWAY: Key jobs TIRE BUILDERS ONLY.
GARBER: Any one that comes in with proposals like yours don't want to reach an agreement.

CONWAY: Job evaluation : We think it is only fair to pull in a 3rd party as we revised . But proposal isn't accepted.

CONWAY: Key jobs and Seniority, we need more than TIRE BUILDERS

CONWAY: VACATION Percentage 2% S.T. EARNINGS with NO guarantee Union wants gurantee for hours o f vacation pay.

CONWAY. About piece work and hourly rates for job evaluation, I want it clear that all jobs would be reviewed
I talked to CLAIRMONT and BARKETT was wrong it will be all jobs and piece work rates and hourly rates also

#4 MEETING JUNE 26, 1963

CONWAY: S.U.B. we need a reasonable cost. Please consider the poss ibility of restricting the seperation payments from the fund we are willing to withdraw our proposal on S.U.B. Seperation as long as the limits are held to the funds in the S.U.B.

GARBER: If seperation comes out of the fund I imagine that would release some of your restrictions as far as recall rights are concerned

CONWAY: This could be right, but I am not sure.

GARBER: What about wages in reference to other company's figures I gave you.

CONWAY: We have the need as you know according to the BARBOO report.

NEXT MEETING 10.00 A.M. TOMORROW JUNE 27, 1963

1347A

6th MEETING OF CONTRACT NEGOTIATIONS JUNE 19, 1963

FEDERAL Mediator LENARD McGEE PRESENT.

UNION REPRESENTATIVES		COMPANY REPRESENTATIVES	
GARBER	BALDANTE	CONWAY	BERNSTIEN
SABOL	HESS	BARKETT	HIEL
TARBUTTON			

McGEE: Both parties are some what complexed. I hope that you have solved some of your problems. What are the main issues?

CONWAY: We have exchanged proposals. Major items of the company are important; but we have reached no agreement on of them. We must find some area of settlement on these major items. If we don't get a agreement on the major items the others are of no improtance. These items are not in order of importance.

1. We proposed a 25% wage reduction. Union has proposed a 09¢ increase for 1963 and a 07¢ increase for 1964

2. We need a job evalation program, the plant has never h. had a program like job evalation

GARBER: Are you talking of day work rates or piece work rates.
CONWAY: I meaw both day work and piece work rates. We need a complete revision of all jobs in the plant.

3. Key jobs must be exempt from seniority, filling of jobs reduction of work force; and also recall

4. We need a reduction of time for recalling former employees

5. Reduction of the 100% for off standard to 90%

6. All cost items negotiated in 1961. Cost items are 8th paid Holiday, Qualifying years for vacation; ~~exented~~-- extented vacation for death in family. 5.00 increase in weekly S.U.B. and the Seperation pay.

7. Management Rights Clause

8. Foreman returning to the bargaining unit we need relief on this our hands are tied with present cluase.

9. Vacation change to percentage. We guarantee 40 hours industry pays on percentage basis

SABOL: The Company had 5 major items and now they have 10 major items. Key Jobs are no problem because the company has group jobs and the people move up. Tire Builders is your problem and we are willing to talk about this. The Company wants to reduce recall rights and discontinue seperation pay.

6th MEETING OF CONTRACT NEGOTIATIONS JUNE I9, I963

#2

SABOL: In regards to the I96I cost items , we don't feel it is necessary to take this reduction. As far as the management clause, every thing says at the opition of the Company This is not right.
As far as the Company changing their fiscal year this has nothing to do with his agreement.
Foreman returning to the bargaining unit this is not our problem.
Vacation percentage proposal has no minimum. We feel that the Companys proposals are not just at this time.

CONWAY: These are different negotiations and the Companys financial position is also different. We are not in the position to make any additioanal cost.

GARBER: How did you arrive at the 25% wage reduction.

CONWAY: Plant average is around $2.9I fringe cost are $I.I2

BERNSTIEN. This management has laid out a program, if we see that progress is made we can make a tentive agreement the same as the Union can.

Legal Cost .2I79 Pension and S.U.B..9053, vacation .24I2 ,

Holiday .II3 this is estimated at the begining of the year and then broke up to I/I2 for each month. Pension payment .2668 actual amount paid this year.
First six months for this year S.U.B. .03I3
First six months for this year Group Ins. .I884
funeral pay .0076 Night shift Bonus .0I5 Union Time .007
Overtime .0208 80% workmans Comp. .0I42

6th MEETING ON CONTRACT NEGOTIATION JUNE 19, 1963

AFTERNOON SESSION

UNION REPRESENTATIVES
GARDNER SABOL BALDANTE
MESS ROMAN TARUTTON
VOLPE YAROSINSKI BOROSKI

COMPANY REPRESENTATIVES
BARNETT CONWAY
HIEL BERNSTIEN

FEDERAL MEDIATOR LEHARD McGEE

GARDNER: I don't like to say it but there might be some distrust present, activities of new management with Clairmont buying into th the company and making alot of changes. Old management in the black new management in the red. Clairmont stated that present contract was accetable and that he could live with it. Raw materials sent back to suppiliers and tires sent to warehouse near here. Company has turned down orders for tires and also U. S. Government orders. Yet the Stock still goes up WE will not be railroaded into a strike The Company has not bargained in good faith. We are not yet convinced that the company wants to reach an agreement. Basis of unfair labor practises exist, no charges filed as of now. We are willing to make an effort in good faith on some of the ten items. We might be able to make some concessions. We will not make any concessions until we get some indication of a settlement can be reached,

I. Vacations have a min. 32 to 35 hours this is big rubber pattern

2. We will consider seniority; Company has a problemas far as key classifications We will try to work something out in one major operation. On the same lines as Goodrich and Firestone.

3. We are willing to take a good look at Job evalation; but we must reserve the røght to use a third party if necessary

4. This is a minor compromise as far as termination date, this is a test of good faith. Settlement is up to the Company.

CONWAY? You were straight and forward as far as your opening remarks about distrust, I don't think that I should get into a fight over this.

CONWAY: This 25% wage reduction is a must and we will not compromise on this.

2. Job evalation we are willing to have a joint committee of I or 2 Union men if the Union pays the cost of their people 3rd party would be an industrial enginerr from a panel from the American Arb.
We would have to work out the groungd rules an employees would not make any less than Mohawk or Cooper employees

3; key jobs is a must and we must have efficent recall to these.

4. Recall rights we will show good faith and raise our proposal to recall up to one year.

5. OFF STANDARD. we are asking 90% instead of 100% Company is retaining present position.

6. 1961 cost items. We will give in on one we are willing to go along The 1961 5.00 increase in weekly benefits.

6th MEETING CONTRACT NEGOTIATIONS JUNE I9, I963

#2 AFTER-NOON SESSION

CONWAY: We would also pick up benefits we will try and work out a subsitute S.U.D. with the state Comp does. We still feel the same about Seperation pay. We will not drop this request.

MANAGEMENT CLAUSE. We feel that the Union has protection in the opening of this rights clause.

GARBER: What does the new proposal give you that the old one doesn't
CONWAY: Management has been advised that N.L.R.B. and coubts are looking at different management clauses so we feel it is better to spell it out.

8. Termination is not a major item we and the Union should be able to work something out

9. Foreman returning to the bargaining unit we need relief

I0. Vacation percentage with a min. could be worked out.

135A

10th MEETING CONTRACT NEGOTIATIONS JUNE 27, 1963 1960A
FEDERAL MEDIATOR. L. McGEE

UNION REPRESENTATIVES			COMPANY REPRESENTATIVES	
GARBER	SABOL	HESS	CONWAY	HEIL
RONNAN	TARBUTTON	VOLPE		
BOKOSKI	YAROSINSKI			

-**NOTE ONLY TWO COMPANY REPRESENTATIVES PRESENT.

CONWAY : On the subject of foreman returning to the bargaining unit; we need some relief, and wish to work something out.

Job evaluation we want an agreement on principal; But no joint committee for setting up the ground rules. We want wages & levels the same as other industry on similar jobs. Mohawk doesn't provide for a joint committee. And this is our position.

Termination: Changing date will be considered, if we reach an agreement on some of the companys proposals.

Vacations: In regards to the 1040 hours , we will change that in the event that any employee should work less than the 1040 hours we would pro-rate vacation pay on the hours worked. Holiday; Vacation and Union Business would not be counted as time worked. Overtime would be only straight time hours. (Sat if you worked 8 hours you would get 8 hours and not 12 hours for figuring vacation.)

GARBER: We feel this is not bargaining in good faith. This is our opinion and we might file an unfair labor charge, but we are waiting for International advise on this.

CONWAY: No comment at this time.

GARBER: In regards to your proposal on Job Evaluation we talked alot about this and I figured we could of settled this, and you were to work out some more information on this. Now you say the Executive Committee won't go along with the remarks that we more or less agreed to.

CONWAY: We don't have a counter proposal from the Union on this do we?

GARBER: No. We don't have a counter proposal, but you know what we mean.

RECESS REQUESTED BY FEDERAL MEDIATOR L. McGEE TIME 11.05 A.M.

MORNING SESSION ONLY LASTED 1 HOUR AND 5 MINUTES.

#2 IOTH MEETING CONTRACT NEGOTIATINGS JUNE 27, I963

-* NOTE MR. C. BERNSTEIN was present at after-noon session

CONWAY: The Union stated that they felt we were not bargaining in good faith. We feel that the Union has not bargained in good faith with us. You are unwilling to recognize that we are not competitive. You have not given us any relief. We are willing to continue negotiations before and after the deadline. We want to continue to negotiate and we are asking the Union if you are going to strike or not. I would like to mention that some industrys have taken a I0% reduction but you have refused any reduction in wages so far.

CONWAY. In regards to our proposal of I3.09 about Foreman returning to the bargaining unit. we will say providing he has more seniority than the youngest employee in the depart. from which he was transferred. If less seniority than the lowest in the department from where he was transferred he would replace the lowest seniority man in the plant if he had more seniority.

GARBER: Are you talking about New Foreman or past foreman? Or prospective only.

CONWAY: If we agree prospective only, will you go along?

HESS: We will consider it. If you would reduce foreman, would you reduce according to seniority?

CONWAY: We would reserve the right to reduce according to whatever we felt was necessary.

GARBER: Would he accumalte seniority or not, according to your proposal?

BERNSTEIN: We will be willing to listen or be open to your suggestion

CONWAY: This is negotiatable. We are open for any suggestions. We need relief in this section.

GARBER By the way we do not agree with your letter or its entirety.

Upon termination of such transfer he will return to the bargaining unitand replace the youngest employee in the plant, providing he has sufficent seniority. Upon return, he shall be crädited with the seniority that he held at the time he left the bargaining unit. However he shall not be permitted to use this seniority in applying for any other job until six (6) months have elapsed since his return to the bargaining unit.

-* THIS WAS TENTIVELY AGREED.

GARBER. We propose termination date of JULY I5, I965. Could we agree on this?

BERNSTEIN: We want the contract to terminate the same date as the companys fiscal year. SEPT. 30, I965.

GARBER: Contract termination has nothing to do with your fiscal year. I don't know of any company that has these two dates on the same day. When does COOPER and MOHAWK terminate, I'll bet there termination date isn't the same as their fiscal year.

CONWAY: No they don't terminate on the same date as their fiscal year but this doesn't agree with the ideas of this Company.

BERNSTEIN: Let us hear from the Union on their proposals, and see what they have considered.

HESS: We are willing to go over our proposals. We are willing to negotiate in good faith; and if we change our position we don't have to go back to our Executive Board before we agree to make changes.

SUCCESSOR CLAUSE no change on our position at this time.

NEW SECTION I.03 no change on our position at this time.

SECTION I.04. no change on our position at this time.

SECTION 2.03.I AGREED TO BY COMPANY

SECTION 2.03.3. SUB PARAGRAPH2 PROPOSAL DROPED BY UNION

SECTION 2.03.5 No change on our position at this time.

ARTICLE 3. ARBITERATION IN PLANT. COMPANY INDICATED THIS COULD BE WORKED OUT.

ARTICLE 4. INTERUPTION OF WORK . Proposed revision withdrawn.

SECTION 5.02 Withdrawn in favor of present clause.

SECTION 6.oI.I Withdrawn in favor of present clause.

SECTION 6.oI.7. No change in our position at this time.

SECTION 7.oI.2; SECTION 7.oI.3.; Section & 7.oI.4. No change on our position at this time.

SECTION 8.07.I No change in our position at this time.

SECTION 8.08. No change in our position at this time.

SECTION 8.09. No change in our position at this time.

SECTION 8.II. Agreed to. Union will receive a copy.

SECTION 8.I7. No change in our position at this time.

SECTION 8.I9 No change in our position at this time.

SECTION IO.02 We will agree to this changed wording.

The company shall schedule vacations so that all employees will be able to take at least one week's

THE Company shall schedule vacations so that all employees will be able to take at least one week's vacation during July or August.

SECTION II.0I Proposed revision withdrawn in favor of present 8 Holidays with pay.

SECTION I3.02 The Union will agree to additions or deletions if mutually agreed by Union and Company.

SECTION I4.0I Both parties agreed to clarification.

SECTION I4.0I.5. No change in our position at this time.

SECTION I4.0I.7 Proposed revision withdrawn

SECTION I5.04 PEACE CORP. No change in our position at this time.

SECTION I6.0I. AGREED TO.

SECTION I7.0I No change in our position at this time.

SECTION I7.05.I Withdrawn in favor of present clause.

SECTION I7.06 Agreed this could be worked out.

SECTION I7.I6 withdrawn because Company stated something was done

SECTION I7.I8 No change in our position at this time.

SECTION I7.I9 No change in our position at this time.

SECTION I7.2I No change in our position at this time.

FACTORY INJURY. PROPOSED REVISION WITHDRAWN

UNION WANTS THE CLEANING BACK IN THE BARGAINING UNIT. No change in our position at this time.

UNION DESIRES WEEKLY PAYROLL DEDUCTIONS FOR 227 CREDIT UNION. No change in our position at this time.

UNION DESIRES 50% OF THE PROFIT ON ALL VENDING MACHINES. No change in our position at this time.

UNION DESIRES WAGE INCREASE 09¢ FOR I963 and 07¢ FOR I964 NO change in our position at this time.

S.U.B. CHANGES NEGOTIATED BY BIG 4 IN I963.

No change in our present position at this time.

GARBER: In regards to increase cost items if the Union would drop all their demands for incresaes in cost , would the Co. drop theirs also?

#5 CONTRACT NEGOTIATIONS JUNE 27, 1963

CONWAY No the Company must have some reduction in the cost items

CONWAY: We had a little discussion and we would like to present them now.

SECTION 2.03.5. We are now proposing a change to 75 hours without accumulation or contract negotiations.

GARBER: How about if you would leave us accumalate 25 hours a month month up to a max. of 300 hours. This would cost you nothing because if the Union so desired they could use the full I00 hours at the present time. If you allow the 25 hours to accumulate you would save because the Union would want to save some of these hours for accumalation. Right now we could use all of them.

CONWAY. KEY JOBS At the time we would increase production up to 6,000 tires a day for six months we would be willing to drop the other propoded Key Jobs except Tire Builders Banbury Operators and Skill Trades. We would recall out of seniority for these key jobs.

80% of production requirements is a qualified operator of any key job.

GARBER: It is our understanding that we have no commitment as far as news paper releases are concerned. So we stated our story as we seen it.

CONWAY: We didn't release any newspaper release and I personally don't think this is good policy.

SABOL: Joe that is the Companys fault because you stated at the first meeting that there would be no joint releases and either either party could feel free to make there own releases.

NEXT MEETING I0.A.M. FRIDAY JUNE 28, I963/

136 A

1965A

12th MEETING CONTRACT NEGOTIATIONS JULY I, 1963
FEDERAL MEDIATOR MR. L. McGEE

UNION REPRESENTATIVES			COMPANY REPRESENTATIVES	
GARBER	SABOL	HESS	CONWAY	HEINRICH
RONNAN	TARBUTTON	VOLPE	HEIL	
BOKOSKI	YAROSINSKI			

CONWAY: I would like to recount some of the past happenings.
FEDERAL MEDIATOR MR. McGEE: I would like to hear from Local 227 U.R.W. Union in regards to this extension.

PRESIDENT HESS. Read out the telegram that the Union sent to the LEE RUBBER & TIRE CORP. in regards to the extensions of contracts.

HEINRICH: We haven't ever worked without an agreement and we wish to consult with our attorney, so therefore we are requesting for the discontinues of contract negotiations until Wed. July 3, 1963

GARBER: The telegram from the Company was read out by International Representative "Bob Garber"
The Union did accept the Companys telegram for continuning the wages and other benefits and working conditions that we had under the old contracts.

HEINRICH: We must see about the dues check off, before we do this or any other things under this extension. Mr. Clairmont wants to come into these negotiations only in attendance and not as any part of the companys negotiationing committee.

RONNAN: All of the companys proposals on economical issues, will remain the same.; as far as the Lee Companys position is. Is this Correct.

HEINRICH: Yes this is correct; but the company is discontining contract negotiations until Wed. morning
MR. McGEE the Company is requesting a recess. Is this ok? You know I don't want to be accused of walking out. Like Friday.

FEDERAL MEDIATOR MR. L. McGEE CALLED FOR A RECESS AT 10.40 A.M.

THIS MORNING SESSION LASTED ONLY 20 MINUTES.

#2 AFTER-NOON SESSION CONTRACT NEGOTIATIONS JULY I, 1963

TIME I.55 P.M.

CONWAY: This morning the Company requested a recess until II .00 A.M. on wed. July 3, 1963. The Union did not wish to go along. So in order to clear the air, as to our justificatio n for this delay in contract negotiations, I would like to read a letter out that we sent President Hess, Garber and Sabol. I am sorry but we don't have enough copies to give every one.

CONWAY: The main reason for the long delay from this morning until this after-noon was that Geo. Bernstein was talking on the telephone to International General Counsel Mr. G.L. Patterson. As a result of there conversation the Company has decided to agree to the Unions request that we deduct Union Dues for the month of July.

MR. N. HEIL LEFT THE ROOM TO TELL THE LEE COMPANYS PAYMASTER TO DEDUCT UNION DUES FROM THIS WEEKS PAY.

CONWAY: We also agree to go along with the grievance procedure that we have under the old contract.

We also agree to go along with Arbitration that you have under the old contract.
You have a no-strike clause at this monent. However the Company will handle Arbitration and grievances as we did in the past.
As far as Union Security the Company agrees to yeild and will handle Union Security as we did in the past.

SABOL, Are there any provisions of the contract that expired that you will not apply?

CONWAY: We have a shot-gun pointed at our heads. Cancelation at any time Union desires.

GARBER, We will work just as long as the provisions of the expired contracts are applied, and we are making progress in contract negotiations

SABOL: What about the question that I asked you?

HEINRICH: We have stated the Companys position at this time.

GARBER: Is the Company willing to meet with the Union to-morrow or even this after-noon.

HEINRICH: You fellows heard Mr. McGee say that he couldn't be prese nt to-morrow.

SABOL: We can meet any time. Mr. McGee doesn't have to be here. We are willing to meet at any time. We want to settle this contract, you will never settle it at the rate you are going.

#3 CONTRACT NEGOTIATIONS JULY I, I963

CONWAY: The company is not in the position to meet to-morrow. We are willing to meet the Union on Wed. July I, I963 at II.00 A:M:

GARBER: We do not agree with the first and second paragraphs in your letter. Your wage cost is no higher than other companys and most of your competitors are higher than your wages. I gave you these figures a couple of times during these meetings.

CONWAY: We have no other thoughts on any cost items at this time. We are noy talking about any cost items until Wed. JULY I, I963. We have some thoughts and we shall explore them and leave you know are position then.

NEXT MEETING WED. JULY I, I963 at II.00 A.M. AT WHICH TIME THE

COMPANY STATED THAT MR. M.M. CLAIRMONT WOULD BE PRESENT.

THE UNION STATED THAT THEY WANT TO SEE MR. CLAIRMONT ON WED JULY I, I963.

15 th MEETING CONTRACT NEGOTIATIONS JELY II, 1963

TIME II.I5 A.M. FEDERAL MEDIATOR MR. L. McGEE

UNION REPRESENTATIVES			COMPANY REPRESENTATIVES	
GARBER	SABOL	HESS	CONWAY	HEINRICH
ROMAN	TARBUTTON	VOLPE	HEIL	BERNSTEIN
YAROSINSKI	BOKOSKI			

McGEE: When we left offtthe other day the Union gave the Company a counter proposal, as far as wages are concerned. What is the Company's reply to this proposal?

CONWAY: You mean the counter proposal of taking 5% of their wages in stock? The Company gave this item a lot of consideration but we are rejecting this proposal, because it doesn't help to reduce the cost. So therefore this proposal won't help us.

BERNSTEIN: We must have immediate ecnomical relief. In order to go along with this proposal we would have to take this back to the stockholders and it would take months and months and it does not serve any purpose at this time. If the Union and the employees want to go into some system to get stock for your members we will see if some broker will do business with you. However we will sit down and talk about this stock and see if we can help you acquire some stock from a broker.

GARBER: We can buy from a broker at any time, however would you take take a payroll deduction for employees to buy this stock?

BERNSTEIN: Maybe some thing can be done along these lines of payroll deduction. We will study this propsal.

CONWAY: We have a couple of items that we wish to through out on the bargaining table. I would like to get an up to date position on some of these items.
Mr. Clairmont proposed a profit sharing and a productivity sharing plan. This plan has not been presented to the Board of Directors. We would like to know the Unions feeling before we do this.

GARBER: Are you still telling us that all of the companys proposal are still the same?

CONWAY: Yes.
GARBER. Our answer is No, as long as the conditions exist.

CONWAY: Has the Union changed its position on the ecnomical cost?

GARBER: We did offer the following:
I. A joint study on job evaluation.
2. Relief on off standards payment.
3. Key jobs for tire builders.
4. Relief on Grievance Time.

BERNSTEIN: Stock would mean control. This is a major step. My feeling is that I can't see how management can agree without further study.

HEINRICH: This would be a cost item. What is the difference money or stock. Stock purchase gives the employee interest I recognize this.

BERNSTEIN: I don't think it would be legal to make the employees buy this stock.

HEINRICH: It doesn't aid the Company so therefore we are rejecting your proposal.

CONWAY: The Unions position on the major items haven't changed from your position on Friday JULY 5, 1963.

HESS: Are position is still the same.

HEINRICH: One issue that I don't understand is how do we stand on the Unions proposal for a wage increase?

GARBER: We still have it on the bargaining table, but you know our feeling along these lines.

CONWAY: We are requesting that the Union sign a agreement in regards to customers molds, so we might convince Phillips to bring back their molds, so we don't lose their business.

HEINRICH: If you can assure us that Phillips can get out their mold molds in the event their is a strike. This will mean more more production. We need this relief

CONWAY: We also need an agreement where the Union would allow shipment of private brand tires, in the event of a strike. Phillips and Pep Boys represent 35 or 40% of production

GARBER: You have this right now, so we have nothing to do about it

BERNSTEIN: You know the trucks or railroad will give us trouble about passing a picket line.

GARBER: Do you have anything wrote up on this that we can see?

BERNSTEIN: No, we don't have anything wrote. All we need from the Union is a letter.

CONWAY: We have a few concessions that we would like to offer.
I. Propose if the Union would agree to remove the Companys Seperation pay liability from the S.U.B. agreement, or have Seperation pay payable only out of the assets of the S.U.B. fund without the company being in any way responsible and the Union will make a formal proposal to such effect. Then the Companys Negotiating committeee will agree to extend the lay-off employees with recall rights for a period of two years.

2. The company agrees to elimate the following jobs from the proposed list of key jobs , so that all seniority provisions will apply as they do now. Inspector Dept. 25; Buff and Classify "A" dept. 29.

3. Company will agree that once it has reached an average of 5,000

#3 CONTRACT NEGOTIATIONS JULY II, I963

Tires per day instead of 6,000 as proposed, and is maintaining such level for 6 months it will retain in the key job capacity only that of tire builders.

4. If the Union agrees to items #2 and #3 above the company will reduce its request for a wage reduction from the figure of 25% across the board to a 20% reduction across the board on hourly and piece work rates since greater efficient is achived by the protective job requirement will reduce cost and thus enable the company to afford to pay the additional differental.

5. The company will conceed on the contract termination date and will agree on any time between June 30, I965 and October 3I, I965 so long as it gives at least 60 days seperation between Conshohocken, and Youngstown date.

HESS. Why not have Company wide bargaining?
BERNSTEIN: Is this a proposal?
HESS: Yes we will propose this.
HEINRICH: My answer to that is No. But we will consider this.
CONWAY: My personell feeling is that would not work out for either the Union or the Company.

GARBER: In regards to #2 and #3 What jobs are key classification?
CONWAY: Dept 25 tire builders; Dept.20, Calandar operators, tube operators, Banbury operators, dipper operators. Banner asis operators dept.22 and 26, bead builders and all maintainance all jobs but oiler and dept 7 employees.

HEINRICH: The econimcial relief is the major item; please keep this in mind.

#I AFTER-NOON SESSION JULY II,1963

GARBER: I understand that before negotiations started that you wanted the meetings recorded. Are you still interested as yet?.

BERNSTEIN: We have no need for it; but if you want them recorded it is your problem.

CONWAY: On a joint recording?

GARBER Both parties could record.
CONWAY: It should be two seperate recordings.

GARBER: If we want, then it is ok to record and you have the same right. We will draft a letter in regards to your proposal I guess you spent alot of time on your proposals. We have a few questions on them.
I. Recall for two years; we can accept or reject. What is your alternative if we reject? Will the Companys position revert back to one(I) year or to the old contract provisions.

BERNSTEIN: If we get relief on the S.UB. and recall rights we can move from one year position to the two year position. If you reject this we have proposals on recall and S.U.B.. We will revert back to the one year position.

GARBER: What happens at the end of one year?
BERNSTEIN:
You through this at us before. He would never have the rights to recall.

CONWAY: His recall rights would terminate.

HEINRICH: These employees would fall in the category of newly hired employees if we recalled after termination of recall rights.

CONWAY: If we would rehire them we will give them back there seniority they had at the time of lay-off.

GARBER: PAGE 26 S.UB. Assuming an agreement could be reached on a two year recall. What happens to the employee.?

BERNSTEIN: We are not trying to cut him off of seperation . But it would come out of the S.U.B. fund. Our objective is to get relief on seperation. Once principal is reached language must be changed in all agreements.

GARBER: If terminated after I or 2 years what about provisions of Page 4 of Pension Paragraph 4

BERNSTEIN: Any rights under pension plan affects him I don't know. The date he losses his recall he would get whatever he is entitled to under vested pension

Garber: If he gets vested pension he at his own option has the right to get lump sum payment or vested pension. PAGE I3.

BERNSTEIN: They are paid under the fund.
GARBER: Wher does it state that?

CONWAY: Service award is from the fund and plant closurer is out of cash register.

BERNSTEIN: We are not trying to change the pension agreement.

GARBER: We are only asking you how you apply the awards.

BERNSTEIN: We are not trying to touch the pension. We are only trying to elimate the S.U.B. Seperation pay; it would come out of fund instead of the owners pocket;

CONWAY: Qualifications under above paragraphs before Then comes u under the below paragraphs. You must quaify for service awards first, then you pick up your option.

HEINRICH: Our proposal is proposed according to Joe Conways interperation.

BERNSTEIN: If you have recall rights forever, this is out of line.

CONWAY: This section Article 2 section 2 pension eligibility under Ist part of paragraph I in order to take advantage under second part part.

GARBER: Do you have any bases such as Arbitration or anything else to back up your interuption.

CONWAY: No we don't . We haven't had a service award since it went in effect; Normal retirement Feb. Ist after 65th birthday.

BERNSTEIN: The pension plan speaks for itself we are not trying to tie seperation and pension agreement together.

GARBER: Have you ever made an annunal report of the pension to all employees yet?

CONWAY: We never got approval from Board of Directors or Internal Revenue approval until Jan. I963. Up to this time we had nothing to report. At the end of the fiscal year or june 30th first report would be due.

BERNSTEIN: If you want a report write us a letter and we shall see if we must make this report. Norb Heil make a note that they want a report on the pension.

CONWAY: Plant closeurer is not out of the fund. Service awards do come out of the fund. Section I,2,3,4, and 5. Section 6 is for plant closing.

CONWAY: We need both in and out service and recall for tire builders.

GARBER: 95% off standards But we feel that our proposal would be more savings to the Company.

CONWAY: We feel that we didn't look into your proposal enough Expercinced on machine 2 hours plus whatever he makes on piece work;

#3 AFTER-NOON SESSION JULY II,1963

HEINRICH: We shall go over your proposal. What about wages now?

GARBER: No direct wage reduction at this time. We feel that you would not benefit with a wage reduction.

HESS: We will not take any reduction in wages

BERNSTEIN: We are sticking for a wage reduction. You are kidding you yourselfs if you think that we will settle without a wage reduction We need a wage reduction. It is now July II contract expired June 30, 1963. We made a little progress to-day but we are close to the point where we can not go along much longer.

RECESS 4.15P.M. RETURNED 4.45 P.M.

GARBER: We will explore your proposal. We want to see what manage ment rights cluase is. You have rights cluase under S.U.B. this gives you all the rights that you are asking under the working agreement.

BERNSTEIN: Termination is open and we explained what our position is. We want relief on both contracts terminating at same time in Youngstown and in Conshohocken.

GARBER: Job evaluation isn't settled as of yet.
BERNSTEIN: If we get the wage level that we want we don't intend to lower a mans take home pay any more.

HEINRICH: We are offering a compromise on the wage reduction of 25 % to 20 % on our proposals. Report to us to-morrow We feel it is necessary to bring up a wage reduction.

GARBER: We can not see any difference if you get relief without a wage reduction

BERNSTEIN: Productivity sharing doesn't guarantee us relief.
GARBER: Are experience in this does induce people to work harder and produce more.

Flexiable of hiring and lay-off was the reason for the reduction of the5% reduction.
HEINRICH: I listened to all of your proposals and I am interested in the 25% wage reduction. I want to know your position on wages so I can report to the board on Monday;

BERNSTEIN. Wages are our prime thing.

GARBER. All other things should be tentively agredd and then we shou should talk wages.

Lee

1960

ne	$5,219,[illegible]	[illegible]
[illegible]	5,146,848	8,011,468
[illegible]	[illegible]	29,943
[illegible]	305,591	305,131
[illegible]	5,291,115	5,146,049

service chgs.

ni Earnings, years to Dec. 31: (In $)

	Net Sales	Net Income	No. of Shares	Earn. on Com.
[illegible]	[illegible]	143,037	[illegible]	3.04
[illegible]	[illegible]	119,017	[illegible]	2.53
[illegible]	544,532	119,927	[illegible]	2.73
[illegible]	644,162	148,892	[illegible]	4.04
[illegible]	604,493	149,862	[illegible]	3.78
[illegible]	495,506	148,912	[illegible]	3.91
[illegible]	624,431	148,762	[illegible]	3.91
[illegible]	672,974	143,631	[illegible]	3.51
[illegible]	624,912	148,807	[illegible]	3.86
[illegible]	763,198	149,597	[illegible]	4.79

idated Balance Sheet, as of Dec. 31:

	1959	1958
	$155,080	$514,836
wt. secur..	[illegible]	41,561
bles, net ..	3,383,793	3,010,174
, cash val.	43,904	37,265
tories -----	2,990,974	2,941,103
ments -----	135,014	211,554
al current -	$7,049,773	$6,751,283
lings, etc...	2,235,977	2,113,256
ation -----	1,018,201	949,753
roperty ----	1,220,766	1,163,603
ill ----------	1	1
al ---------	$5,269,542	$7,914,887
ilities:		
payable	$328,371	$498,800
ls ---------	317,522	291,496
ers' dep. --	77,011	78,831
ayable ----	149,034	149,014
c. tax res...	[1]125,000	[1]------
al current -	$1,197,238	$1,014,141
ayable -----	300,000	375,000
ine. tax res.	938,962	830,166
mon. stock .	548,633	548,633
ed earnings	5,293,443	5,146,014
	3,842,078	5,694,841
q. stock ---	8,737	9,101
rk. & surp..	8,833,341	8,989,560
al ---------	$9,269,542	$7,914,887
rrent assets	$5,851,536	$6,737,142
ng. com. sh	$39.14	$38.15

wer cost or mkt. [1]Shs. at cost: 1959, 485; 149,522 no par shs. [2]Acer basis, less 149,522 no par shs. [2]Acer. basis. y, ensuing yr. collect. basis. Incl. curr. After deduct. U. S. Govt. secur.: 1959, 0; 1958, $2[illegible],000.

: At Dec. 31, 1959, minimum annual s under leases expiring more than three totaled $340,000.

0. [1]After pid. liq. val. $37.50 a sh.

: At Dec. 31, 1958, minimum annual s under leases expiring more than three totaled $299,000.

n Loan: Outstanding, Dec. 31, 1959, $300,- note payable to bank. Due $25,000 rly beginning Jan. 1, 1961. Proceeds for redemption of $2.50 cumulative pre- stock.

ital Stock: 1. Leath & Co., common; no

IORIZED—150,000 shares; outstanding, shares; in treasury, 485 shares; no par. NG RIGHTS—Has one vote per share. OSE—Issued in exchange for old com- share for share, in accordance with italization plan approved Dec. 30, 1935 Moody's 1936 Industrial Manual for de-

DENDS—

old no par shares:				
$0.25	1939---	$0.75	1931-38	Nil
present no par shares:				
$0.50	1948---	Nil	1939-40	$0.40
0.50	1943-47	$0.40	1944---	0.50
0.30	1946---	2.35	1947---	0.50
1.50	1948-58	2.00	1956---	2.30
2.05	[1]1960---	1.35		

Apr. 2.

ED—On Midwest Stock Exchange.

E RANGE—	1959	1958	1957	1956	1955
h----------	31¼	27¼	25½	27	27½
w----------	27¼	19¼	20	24½	22½

nsfer and Dividend Disbursing Agent: pany's office.

gistrar: First National Bank, Chicago, Ill.

RUBBER & TIRE CORP.

story: Incorporated under a perpetual ter in New York, Dec. 15, 1915 to acquire of the preferred and common stocks of Tire & Rubber Corp., incorporated in nsylvania, June 16, 1911, and all of the tal stock of the latter's subsidiary, Lee r Rubber Co. of New York, Inc. In July, Lee Tire & Rubber Co. (Pa.) was dis- ed and merged with the parent. the payment of $4,837 shares of capital k, acquired in June, 1923, The Republic ber Co., incorporated in Ohio on May 21, The latter acquired at Receivers' sale on e 7, 1923 the properties at Youngstown and ton, O., of The Republic Rubber Corp. The r was incorporated in New York on Oct. 917 to acquire the properties of (1) The ublic Rubber Co., which had been incorpo- rated in Ohio on Feb. 28, 1901 as the Mahoning Rubber Mfg. Co. and changed its name Nov. 27, 1906 to The Republic Rubber Co., and (2) The Knight Tire & Rubber Co. which was incorporated in 1911 and changed its name to the Canton-Blackstone Co. in 1919.

In 1936 Republic Rubber Co. (Ohio) was liquidated and its assets acquired by the parent.

In 1932 organized Lee Rubber & Tire International Corp., a wholly-owned subsidiary, for expansion of foreign business.

Business: Manufactures tires and tubes sold for replacement purposes through over 19,000 distributors and dealers; also batteries and tread rubber. Company operates 51 factory branches in principal cities east of the Mississippi River and in Dallas, Los Angeles and Fort Worth. Also distributes tires in the Midwest through the service stations of Phillips Petroleum Co., and on the West Coast through Signal Oil Co.

Manufactures mechanical rubber goods consisting chiefly of packing and conveyor belting, hoses of all kinds and accessories for the automobile industry, such as rubber floorings, rubber stripping, etc.

Property: The production is concentrated at the Conshohocken, Pa plant which has 847,000 sq. ft. of floor space and an annual capacity of 1,700,000 tires and tubes. This plant was originally built in 1911 and has subsequently had small additions. A minor operation at this location comprises the manufacture of rubber goods, such as kneeling pads, cushions, sink mats, bath mats, dishes, soap dishes, sponges, door mats, window wedges, tank balls, tubing, stopper, bath spray outfits, coasters, tire repair kits, tire cement, paint and rubber articles for medical and surgical purposes.

The mechanical rubber goods plant at Youngstown has a total floor area of 660,000 sq. ft. and an annual productive capacity of about 21,000,000 lbs. The early buildings were erected in 1900 with constant additions thereafter but the bulk, including the present main buildings, was erected in 1910 and 1911.

Subsidiary (wholly-owned): Lee Rubber International (foreign).

Officers: A. A. Garthwaite, Chmn.; A. A. Garthwaite, Jr., Pres.; W. F. Hinderscheid, Vice-Pres. (Sales); A. H. Nellen, Vice-Pres. (Research); R. M. Brassemle, Vice-Pres. (Prod. —Lee Div.); Donald Strachan, Asst. to Pres.; E. M. Ikirt, Treas.; R. V. Falconiero, Contr.; P. Van Anda, Sec.; J. B. Webb, Asst. Treas. and Asst. Sec.; T. C. Bosse, Asst. Sec.

Directors: A. A. Garthwaite, A. A. Garthwaite, Jr., R. M. Brassemle, W. F. Hinderscheid, A. H. Nellen, Conshohocken, Pa.; Stanton Griffis, A. E. Impey, P. Van Anda, New York; John MacShain, Thorpe Nesbitt, R. E. Carpenter, Jr.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: Last Thursday in Feb.

No. of Stockholders: Oct. 31, 1959, 5,946.

No. of Employees: Oct. 31, 1959, 2,842.

General Offices: Conshohocken, Pa

Income Account, years ended Oct. 31:

	1959	1958
Net sales ----------	$52,164,161	$46,558,852
Cost of sales ------	38,245,411	33,266,371
Selling, etc., exp. -	9,798,498	8,916,232
Depreciation ------	719,301	632,655
Operating profit --	3,400,951	3,743,594
Other income ------	68,392	75,907
Total income ------	3,469,343	3,819,501
Loss on invest. ---	95,800	---------
Other deductions -	2,364	6,682
Fed. income tax --	1,831,700	2,012,900
Net income -------	1,521,479	1,797,919
Prev. retain. earn.	1,562,874	15,177,864
Dividends ---------	1,026,289	1,012,909
Retain. earn. 10-31	16,458,064	15,962,874

Notes: (a) Total taxes: 1959, $2,680,914; 1958, $2,608,965. (b) Total wages, etc.: 1959, $16,504,686; 1958, $15,145,403.

Sales & Earnings, years to Oct. 31 (In $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959---	52,164,161	1,521,479	856,239	1 78
1958---	46,558,852	1,797,919	846,132	2.12
1957---	48,801,023	1,762,581	843,512	2 09
1956---	46,581,943	1,612,800	850,094	1 90
1955---	45,912,226	1,750,071	851,166	2.06
1954---	39,385,382	1,400,295	281,425	4 97
1953---	46,302,381	1,674,128	278,308	6 01
1952---	45,335,579	1,767,179	265,199	6 66
1951---	50,402,406	2,185,682	253,584	8 62
1950---	39,267,253	2,944,732	253,584	11.61

Balance Sheet, as of Oct. 31:

Assets:	1959	1958
Cash ----------	$4,139,553	$4,795,106
Receivables, net --	7,563,964	6,974,492
[1]Inventories -----	11,724,458	11,289,174
Prepayments ------	207,800	88,966
Total current -	$23,637,783	$23,147,739
Plant & equip. ----	18,442,872	17,049,749
Deprec. & amort. -	9,817,649	9,368,513
Net property ----	8,625,223	7,681,236
Invest. fgn. subsid.	$0,000	30,000
Misc., etc., invest.	$3,241	239,112
Total ---------	$32,375,227	$31,098,046

Liabilities:	1959	1958
Accounts payable -	$2,783,308	$2,313,914
Acceptances pay. -	328,996	177,171
Accrued expenses.	890,803	857,989
[2]Income tax res. -	10,118	[3]225,286
Total current -	$4,013,089	$3,573,642
Comp. insur. res. -	399,690	378,284
Pens. & insur. res.	559,982	451,199
Def. Fed. tax res..	706,260	635,200
Cap. stock ($5) ---	4,713,725	4,662,153
Capital surplus ---	[4]6,401,063	6,262,737
Retained earnings.	16,458,064	15,962,874
Total ------------	27,573,852	26,847,786
[5]Treas. stock ---	818,546	825,301
Net stk. & surp..	26,755,266	26,039,485
Total ---------	$32,375,227	$31,098,046
Net current assets.	$19,621,674	$19,574,096
Net tang. per sh. -	$31.21	$30.86

[1]Lower cost or mkt., except fin. tires and tubes lifo. [2]Shs. at cost; 1959, 86,906; 1958, 86,292. [3]After deduct. U. S. Govt. secur.: 1959, $1,332,507; 1958, $1,290,965. [4]After cred. $138,326 excess proceeds over par shs. sold on opt. & issued as compen.

Capital Stock: 1. Lee Rubber & Tire Corp. capital stock: par $5:

AUTHORIZED—975,000 shares; outstanding, Jan. 18, 1960, 858,814 shares; in treasury, 86,906 shares; reserved for stock options (see below), 21,853 shares; par $5.

Par changed from no par to $5 July 7, 1932, share for share; shares split 3-for-1 Mar. 3, 1955.

DIVIDENDS—(calendar years)

1915---	nil	1916---	2.25	1917-19	nil
1920---	1.50	1921-22	2.00	1923---	1.50
1924-33	nil	1934---	0.40	1935-36	0.50
1937---	1.60	1938---	2.50	1939---	[1]2.50
1940-44	2.25	1945---	2.50	1946---	3.75
1947---	[1]3.00	1948---	3.50	1949---	3.00
1950-51	5.00	1952---	[1]3.50	1953---	[1]4.00
1954---	4.00	1955---	0.75		
	(After 3-for-1 split, Mar. 15, 1955)				
1955---	1.85	1956---	1.20	1957---	1.40
1958-59	1.20	[2]1960---	0.30		

[1]Plus 5% in stock.

[2]To Jan. 30.

PREEMPTIVE RIGHTS—None, except as is given by the statutes of the State of New York.

LISTED—New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co. of New York.

REGISTRAR—Bankers Trust Co., New York.

ISSUED—100,000 shares in Dec., 1915 for $100,000 cash and the following securities of the predecessor: $400,000 first mortgage 6s, 1926; $483,200 preferred stock and $1,000,000 par value of common.

10,000 shares in Nov., 1919 to employees at $33 per share.

64,837 shares in June, 1923 to acquire The Republic Rubber Co.

OFFERED—At $30 per share in Dec., 1915 by Hornblower & Weeks and White, Weld & Co., New York.

PRICE RANGE—	1959	1958	1957	1956	[1]1955
High----------	30½	25⅜	24¾	22½	25
Low ----------	21½	18⅛	17½	18⅜	20⅛

[1]After 3-for-1 split; before, 74½-64¼.

Stock Options held by officers and key employees at Oct. 31, 1959 on 27,580 shares at prices from $14.92 to $20.48 per share expire Dec. 31, 1967.

MACOMBER, INC.

History: Incorporated in Ohio Nov. 20, 1937. In 1958, purchased Rock Island Bridge and Iron Works, Rock Island, Ill.

Business: Manufactures steel building materials, including steel joists, longspans, steel trusses, metal roof deck, V-Lok framing, etc.

Properties: Main plant on 14-acre site at Canton, O.; additional plant near Canton on 85-acre site and on 13-acre site at Rock Island, Ill.

Subsidiaries (wholly-owned): Macomber Construction Co., Macomber Panamericana, Inc., Rock Island Steel Co.

Officers: Stanley Macomber, Chmn.; Robert Macomber, Pres.; C. R. Roberts, Exec. Vice-Pres.; J. W. King, Vice-Pres. (Fin.) and Gen. Counsel; J. E. Stiles, J. W. Hubler, F. M. Daugherty, Jr., A. W. Rawlins, Vice-Pres.; Marie F. Burrier, Sec.; Nicholas Petroff, Treas.; N. E. Rice, Asst. Vice-Pres.; Mary F. Macomber, Asst. Sec. and Asst. Treas.; C. H. Rexine, Asst. Sec.

Directors: Stanley Macomber, Robert Macomber, J. W. King, F. M. Daugherty, Jr., J. E. Stiles, R. G. Glass, A. W. Rawlins, Mary F. Macomber, C. A. Selple, R. G. McCuskey, E. T. Boles, C. R. Roberts, J. W. Hubler.

Auditors: Bruner, Cox, Lotz & Syler.

Annual Meeting: Fourth Thursday in Mar.

No. of Stockholders: Dec. 31, 1959, 458.

No. of Employees: Dec. 31, 1959, 1,043.

Office: Canton, O.

Consolidated Income Account, years ended Dec. 31:

	1959	1958
Net sales ----------	$13,713,967	$17,227,331
Cost of sales -----	14,074,084	15,275,951
Selling, etc., exp. -	1,506,901	1,893,259
Depreciation ------	406,303	326,629
Operating profit --	$ 273,306	29,491
Other income ------	80,220	93,377

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DIVIDENDS—
On present no par shares:

1936-37	$0.50	1939	Nil	1939-48	$0.40
1941	0.50	1942-43	$0.40	1944	0.50
1945	0.30	1946	2.35	1947	3.50
1948	1.50	1949-55	2.00	1956	3.30
1957-60	2.05	[1]1961	1.35		

[1]To Apr. 2.

LISTED—On Midwest Stock Exchange.

PRICE RANGE—	1960	1959	1958	1957	1956
High	29¼	31¾	27½	25½	27
Low	23¼	25½	19¾	20	23½

Transfer and Dividend Disbursing Agent: Company's office.

Registrar: First National Bank, Chicago, Ill.

LEE (H. D.) CO., INC.

History: Incorporated in Kansas Dec. 31, 1889 as H. D. Lee Mercantile Co. Name changed to above Feb. 4, 1943.

On Aug. 30, 1948, acquired all capital stock and property of Bloesser-Heynemann Co., San Francisco, Calif.

On Aug. 31, 1949, acquired assets of Bruce Co., Inc., Ottawa, Kans.

On Jan. 1, 1951 acquired assets of Chetopa Mfg. Co., Inc., Chetopa, Kan.

On Aug. 16, 1952 acquired assets of Sun Garment Co., St. Joseph, Mo.

In 1955, acquired Cherryvale Mfg. Co., Cherryvale, Kan.

Business: Manufacturers and distributors of work garments.

Properties: Garment factories and distributing houses at South Bend, Ind.; Trenton, N. J.; Kansas City and St. Joseph, Mo.; Minneapolis, Minn.; San Francisco; Boaz, Ala., Sulphur Springs and Dallas, Tex., Ottawa, Chetopa and Cherryvale, Kans., Atlanta, Ga., Broadway, Va. Also sales office in New York.

Subsidiaries: Bloesser-Heynemann Co., Bruce Co., Inc., Chetopa Mfg. Co., Inc., Sun Garment Co., Cherryvale Mfg. Co., and H. D. Lee of Va., Inc., all wholly-owned.

Officers: L. W. Staples, Pres.; G. W. Lee, Vice-Pres.; R. W. Dietrick, Sec.-Treas.; K. E. Midgley, H. H. Vandervort, Asst. Sec.; C. W. Calhoon, Asst. Treas.

Directors: K. E. Midgley, B. E. Kinney, R. W. Dietrick, H. H. Vandervort, G. W. Lee, L. W. Staples, Kansas City; L. G. Baird, San Francisco; G. S. Wayman, Jacksonville, Fla.; J. H. Glenn, Beardstown, Ill.

Counsel: Blackmar, Swanson, Midgley, Jones & Eager.

Auditors: Price Waterhouse & Co.

Annual Meeting: Third Tuesday after first Monday in Feb.

No. of Stockholders: Dec. 31, 1960, 2,371.

No. of Employees: Dec. 31, 1960, 3,492.

Office: 117 W. 20th St., Kansas City 41, Mo.

Consolidated Income Account:

	Year to Nov. 30,'60	11 mos. to Nov. 30,'59
Gross profit	$10,628,307	$10,047,371
Selling, etc., exp.	8,493,239	7,666,485
Deprec. & amort.	204,886	164,163
Net earnings	1,928,182	2,216,723
Other deductions	137,627	37,125
Income taxes	962,000	1,175,000
Net profit	828,565	1,004,598
Retain. earn.	5,884,873	9,816,300
Dividends	732,250	732,250
Trf. to cap. stock		4,200,736
Retained earnings	5,981,198	5,884,573
Earned per share	$1.07	$1.30
No. of shares	770,768	770,768

Earnings, years to Dec. 31 (in $):

	Gross Profit	Net Income	No. of Shares	Earn. on Com.
[1]1959	10,047,371	1,004,598	770,768	1.30
1958	9,180,527	945,278	192,672	4.90
1957	8,813,072	907,960	192,672	4.71
1956	8,627,203	1,001,113	192,672	5.19
1955	8,574,158	1,091,529	192,672	5.61
1954	7,832,590	1,213,207	192,672	6.29
1953	7,700,260	1,013,724	192,672	5.26
1952	8,230,216	813,208	192,672	4.22
1951	7,035,259	1,523,969	192,672	7.91
1950	8,900,732	1,698,338	192,672	8.80

[1]11 mos. to Nov. 30; prior years ended Dec. 31.

Consolidated Balance Sheet, as of Nov. 30:

Assets:	1960	1959
[1]Inventory	$9,953,749	$10,679,914
Accts. rec., net	7,298,560	6,246,838
Cash	1,473,311	1,274,042
Prepaid exp., etc.	189,295	265,833
Total current	$18,914,915	$18,468,667
Bldgs., mchy., etc.	3,496,859	3,207,095
Depreciation	2,059,632	1,951,272
Net property	1,437,227	1,255,823
Plant sites	39,751	39,751
Lsehld. imp., net	192,713	136,756
Trademarks, etc.	1	1
Misc. invest., etc.	461,350	153,025
Total	$21,045,957	$19,999,925
Liabilities:		
Notes payable	$2,200,000	$800,000
Accts., etc., pay.	840,471	599,359
Accr. taxes, etc.	1,371,201	1,466,656
Dividends payable	154,153	154,153
Income tax res.	498,634	854,894
Total current	$5,064,759	$4,115,062
[1]Capital stock	10,000,000	10,000,000
Retain. earnings	5,981,198	5,884,873
Total	$21,045,957	$19,999,925
Net current assets	$13,850,156	$14,293,615
Net tang. per sh.	$20.73	$20.61

[1]770,768 no par shs. [2]Lower cost (fifo) or mkt.

Capital Stock: L. H. D. Lee Co., Inc., stock; no par:

AUTHORIZED—800,000 shares; outstanding, 770,768 shares; no par.

Par changed from $100 to no par in 1930 by 2-for-1 split; no par shares split 4-for-1 Nov. 19, 1959.

DIVIDENDS PAID—
On $100 par shares:

1910-12	$10.00	1913	$8.00	1914	$6.00
1915	10.00	1916	25.00	1917	50.00
1918	15.00	1919	60.00	[1]1920	10.00
1921-22	nil	1923-24	4.50	1925	2.00
1926-29	4.00	1930	2.00		

On no par shares:

1930	nil	1931	0.25	1932-33	nil
1934	1.55	1935	1.10	1936	2.00
1937	0.75	1938	0.50	1939-44	1.00
1945	1.00	1946	1.50	1947	2.50
1948-49	3.00	1950-58	3.50	1959	3.00

On no par shares (after 4-for-1 split):

1959	0.20	1960	0.95	[2]1961	0.35

[1]Also 20% stock dividend.

[2]To Mar. 6.

TRANSFER AND DIVIDEND DISBURSING AGENT—City National Bank & Trust Co., Kansas City, Mo.

REGISTRAR—Union National Bank, Kansas City, Mo.

PRICE RANGE—	1960	[1]1959	1958	1957	1956
High	20⅛	22	64	66	67⅛
Low	16¾	19¼	49	49	64

[1]After stock split; before, 78-63.

LEE RUBBER & TIRE CORP.

History: Incorporated under a perpetual charter in New York, Dec. 15, 1915 to acquire all of the preferred and common stocks of Lee Tire & Rubber Corp., incorporated in Pennsylvania, June 16, 1911, and all of the capital stock of the latter's subsidiary, Lee Tire & Rubber Co. of New York, Inc. In July, 1924, Lee Tire & Rubber Co. (Pa.) was dissolved and merged with the parent.

By the payment of 64,837 shares of capital stock, acquired in June, 1923, The Republic Rubber Co., incorporated in Ohio on May 21, 1923. The latter acquired at Receivers' sale on June 7, 1923 the properties at Youngstown and Canton, O., of The Republic Rubber Corp. The latter was incorporated in New York on Oct. 6, 1917 to acquire the properties of (1) The Republic Rubber Co., which had been incorporated in Ohio on Feb. 28, 1901 as the Mahoning Rubber Mfg. Co. and changed its name Nov. 27, 1901 to The Republic Rubber Co., and (2) The Knight Tire & Rubber Co., which was incorporated in 1911 and changed its name to the Canton-Blackstone Co. in 1919.

In 1936 Republic Rubber Co. (Ohio) was liquidated and its assets acquired by the parent.

Business: Manufactures tires and tubes sold for replacement purposes through over 19,000 distributors and dealers; also batteries and tread rubber. Company operates 49 factory branches in principal cities east of the Mississippi River and in Dallas, Los Angeles and Fort Worth. Also distributes tires in the Middlewest through the service stations of Phillips Petroleum Co., and on the West Coast through Signal Oil Co.

Manufactures mechanical rubber goods consisting chiefly of packing and conveyor belting, hoses of all kinds and accessories for the automobile industry, such as rubber flooring, rubber stripping, etc.

Property: The production is concentrated at the Conshohocken, Pa. plant which has 647,000 sq. ft. of floor space and an annual capacity of 1,390,000 tires and tubes. This plant was originally built in 1911 and has subsequently had small additions. A minor operation at this location comprises the manufacture of rubber goods, such as kneeling pads, cushions, sink mats, bath mats, dishes, soap dishes, sponges, door mats, window wedges, tank balls, tubing, stopper, bath spray outfits, coasters, tire repair kits, tire cement, paint and rubber articles for medical and surgical purposes.

The mechanical rubber goods plant at Youngstown has a total floor area of 660,000 sq. ft. and an annual productive capacity of about 24,000,000 lbs. The early buildings were erected in 1909 with constant additions thereafter but the bulk, including the present main buildings, was erected in 1910 and 1911.

Officers: A. A. Garthwaite, Chmn.; A. A. Garthwaite, Jr., Pres.; W. F. Hinderscheid, Vice-Pres. (Sales); A. H. Nellen, Vice-Pres. (Research); Donald Strachan, Asst. to Pres.; E. M. Ikirt, Treas.; R. V. Falconiero, Contr.; P. Van Anda, Sec.; J. B. Webb, Asst. Treas. and Asst. Sec.; G. J. Fiuri, Asst. Contr.; T. C. Boose, Asst. Sec.

Directors: A. A. Garthwaite, A. A. Garthwaite, Jr., R. M. Brasamle, W. F. Hinderscheid, A. H. Nellen, Conshohocken, Pa.; Stanton Griffis, A. F. Imbey, P. Van Anda, New York; John MacShain, Thorpe Nesbit, H. E. Carpenter, Jr.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: Last Thursday in Feb.

No. of Stockholders: Oct. 31, 1960, 6,182.

No. of Employees: Oct. 31, 1960, 2,638.

General Office: Conshohocken, Pa.

Income Account, years ended Oct. 31:

	1960	1959
Net sales	$44,203,913	$52,164,161
Cost of sales	34,454,269	39,245,411
Selling, etc., exp.	8,926,243	9,798,498
Depreciation	822,754	719,301
Operating profit	85,648	3,400,951
Other income	[1]441,229	68,392
Total income	526,877	3,469,343
Loss on invest.		93,900
Other deductions	10,732	2,364
Fed. income tax	194,000	1,851,700
Net income	322,145	1,521,479
Prev. retain. earn.	18,458,064	15,962,874
Dividends	1,023,112	1,026,289
Retain. earn., 10-31	15,754,097	16,458,064
Earn., com. share	$0.38	$1.78
No. of com. shares	846,609	856,239

[1]Incl. $356,000 gain fgn. sub. liquid.

Notes: (a) Total taxes: 1960, $967,990; 1959, $2,680,914. (b) Total wages, etc.: 1960, $15,576,678; 1959, $16,604,686.

Sales & Earnings, years to Oct. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	52,164,161	1,521,479	856,239	1.78
1958	46,558,838	1,797,919	846,132	2.12
1957	48,601,093	1,762,581	843,512	2.09
1956	46,581,943	1,612,800	850,094	1.90
1955	45,912,228	1,750,071	851,166	2.06
1954	39,385,383	1,400,296	281,428	4.97
1953	46,302,361	1,674,128	278,398	6.01
1952	45,335,579	1,767,179	275,192	6.66
1951	50,402,406	2,185,632	253,584	8.62
1950	39,267,256	2,944,732	253,584	11.61

Balance Sheet, as of Oct. 31:

Assets:	1960	1959
Cash	$3,609,508	$4,139,533
U. S. Govt. sec.	281,985	
Receivables, net	5,966,718	7,565,954
[1]Inventories	11,920,253	11,724,456
Prepayments	343,498	207,808
Total current	$22,121,962	$23,637,749
Plant & equip.	19,046,227	18,442,878
Deprec. &amort.	10,487,206	9,817,649
Net property	8,559,021	8,625,229
Invest. fgn. subsid.		30,000
Misc., etc., invest.	65,274	82,241
Total	$30,746,257	$32,375,227
Liabilities:		
Accounts payable	$1,746,140	$2,783,368
Acceptances pay.	683,638	328,936
Accrued expenses	684,382	890,605
Income tax res.	[2]---------	[2]10,118
Total current	$3,114,160	$4,013,069
Comp. insur. res.	376,603	369,660
Pens. & insur. res.	673,794	539,917
Def. Fed. tax res.	743,100	706,200
Cap. stock ($5)	4,736,575	4,715,725
Capital surplus	6,445,736	6,401,063
Retained earnings	15,754,097	16,458,064
Total	26,936,403	27,574,853
[3]Reacq. stock	1,097,810	848,586
Net stk. & surp.	25,838,593	26,726,266
Total	$30,746,257	$32,375,227
Net current assets	$19,007,802	$19,624,674
Net tang. per sh.	$30.53	$31.23

[1]Lower cost or mkt., except fin. tires and tubes lifo. [2]Shs. at cost: 1960, 100,706; 1959, 86,906. [3]After deduct., $68,788 (1959, $1,232,507)

U. S. Govt. secur.

Capital Stock: L. Lee Rubber & Tire Corp. capital stock; par $5:

AUTHORIZED—975,000 shares; outstanding, Jan. 31, 1961, 846,609 shares; in treasury, 105,706 shares; reserved for stock options 27,645 shares; par $5.

Par changed from no par to $5 July 7, 1932, share for share; shares split 3-for-1 Mar. 3, 1955.

DIVIDENDS—(calendar years)

1915	nil	1916	2.25	1917-18	nil
1919	1.50	1921-22	2.00	1923	1.50
1924-33	nil	1934	0.40	1935-36	0.50
1937	1.60	1938	2.50	1939	[1]2.50
1940-44	2.25	1945	2.50	1946	3.75
1947	[1]3.00	1948	3.50	1949	3.00
1950-51	5.00	1952	[1]3.50	1953	[1]4.00
1954	4.00	1955	0.75		

(After 3-for-1 split, Mar. 15, 1955)

1955	1.85	1956	1.20	1957	1.40
1958-60	1.20	[2]1961	0.15		

[1]Plus 5% in stock.

[2]To Jan. 30.

PREEMPTIVE RIGHTS—None, except as is given by the statutes of the State of New York.

LISTED—New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co. of New York.

REGISTRAR—Bankers Trust Co., New York.

ISSUED—100,000 shares in Dec., 1915 for $100,000 cash and the following securities of the predecessor: $400,000 first mortgage 6s, 1925; $483,200 preferred stock and $1,000,000 par value of common.

10,000 shares in Nov., 1919 to employees at $33 per share.

64,837 shares in June, 1923 to acquire The Republic Rubber Co.

LEE 1961 (2)

1975A

...ED—At $20 per share in Dec., 1913 by ...Mower & Weeks and White, Weld & ... New York.
...CH RANGE— 1960 1959 1958 1957 1956
...ch..... 24¼ 20½ 25⅛ 24¾ 22⅛
...w..... 14⅛ 21⅛ 18⅛ 17⅞ 18⅜
...k Options held by officers and key em...ees at Oct. 31, 1960 on 27,285 shares at ...s from $11.92 to $20.48 per share expire ... 31, 1967.

...STER ENGINEERING CO.

...istory: Incorporated under Ohio laws May ...1955. In 1954 acquired assets of Phoenix ...chine Co.
...usiness: Company designs and manufac...es injection molding and die casting ma...nery.
...roperty: In 1959 acquired plant with floor ...a of 30,000 sq. ft.; and owns plant of 13,000 ... ft. in Cleveland.
...ubsidiary (wholly-owned): Lester-Phoenix, ...
...fficers: David White, Pres.; D. J. Sloane, ...e-Pres.; H. A. Rocker, Sec.-Treas.
...irectors: David White, D. J. Sloane, H. A. ...cker, W. H. Schwartz, W. M. Lester, C. H. ...ke, E. A. Legros.
...uditors: Meaden & Moore.
...nnual Meeting: In April.
...o. of Stockholders: Dec. 31, 1959, 1,009.
...o. of Employees: Dec. 31, 1959, 597.
...ffice: 2711 Church Ave., Cleveland 13, O.
...nfilled Orders, Dec. 31, 1960, $1,000,000.

Consolidated Income Account, years ended ...e. 31:

	1960	1959
...t sales	$8,800,697	$7,730,078
...st of sales	5,256,299	6,025,943
...lling, etc., exp...	1,018,294	1,064,634
...preciation	144,633	143,864
...erating profit	341,169	495,573
...her income, net	14,578	431
...tal income	355,745	496,004
...d. income tax	173,000	250,500
...t profit	182,744	245,504
...tain. earn., 1-1	1,291,305	1,012,776
...vidends (cash)	59,399	56,974
...vidends (stock)	85,451	.....
...tain. earn., 12-31	1,240,209	1,201,305
...rn., com. share	$0.92	$1.29
...of com. shares	[1]199,384	189,890

[1] Reflects 5% stk. div.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
...sh	$153,341	$159,784
...ceivables, net	468,286	823,148
...inventories	2,106,349	1,877,279
Total current	$2,727,976	$2,860,211
...ant & eqp., net	1,812,729	1,239,211
...tents, net	5,760	7,143
...her assets	88,186	280,600
Total	$4,634,681	$4,387,166
Liabilities:		
...tes payable	$130,000	.....
...counts payable	342,431	$512,496
...crusls, etc.	282,970	366,672
...d. income taxes	92,938	229,016
Total current	$848,339	$1,108,185
...b. 6s, 1976	300,000	300,000
...f. Fed. inc. tax	201,000	145,000
...tes payable	1,120,000	800,000
...m. stock ($1)	199,384	189,890
...id-in surplus	718,738	642,786
...tained earnings	1,240,209	1,201,305
Total	$4,634,681	$4,387,166
...t current assets	$1,872,617	$1,752,026
...t tang. com. sh.	$10.80	$10.71

[1] Raw matls. & purch. parts lower cost or ...place. mkt., wk. in process & fin. gds. cost.

Term Loans: Outstanding Dec. 31, 1960, $1,-...000 6% notes payable $20,000 quarterly ...ar. 15, 1961 to Dec. 15, 1973. Proceeds to re...ance debt to buy leased plant and for ex...nsion.

Company may not pay cash dividends in ...cess of 70% of net income after Dec. 31, ...54, less notes prepaid. No payment in ex...ss of earnings will be permitted in any 2 ...nsecutive years. At June 30, 1959, $29,216 ...tained earnings were not so restricted. ...mpany agrees to maintain working capital ... at least $1,000,000 to Dec. 31, 1961 and $1,-...000,000 thereafter.

Debenture Debt: L. Lester Engineering Co. ...nvertible subordinated debenture 6s, due ...:

...UTSTANDING—$300,000.

...ATED—Sept. 15, 1959; due Sept. 15, 1976.

...TEREST—...S 15 at Cleveland (O.) Trust ..., trustee. Registered, $50, $100, $500 and ...000.

...LLABLE—As a whole or in part at any ...ne on 30 days' notice after Sept. 14, 1961 ... 110 to Sept. 14, 1970 incl. and 105 there...er; for sinking fund at 100.

...NKING FUND—Annually, beginning Mar. ... 1966, cash (or debentures) equal to lesser ...$15,000 or 10% of consolidated net earn...gs in excess of $100,000, to redeem deben...res at par on or before each May 1.

...NVERTIBLE—Into common on or before ...y preceding redemption date at $10 a share, ...th no adjustment for interest or dividends; ...sh paid in lieu of fractional shares, conver...n privilege protected against dilution.

SECURITY—Not secured; subordinated to senior debt.

PURPOSE—Proceeds toward refinancing debt, to buy leased property and for plant expansion.

OFFERED—($300,000) on Sept. 22, 1959 to common stockholders at 100 on basis of $50 debenture for each 30 shares held. Rights expired Oct. 2, 1959. Offering underwritten by First Cleveland Corp., Cleveland.

Capital Stock: L. Lester Engineering Co. common; par $1:

AUTHORIZED—500,000 shares; outstanding, Dec. 31, 1960, 199,384 shares; par $1.

DIVIDENDS—

1954	$0.15	1955	$0.30	1956-57	$0.60
1958	0.15	[1]1959-60	0.30	[2]1961	0.07½

[1] Also 5% in stock in 1960.
[2] To Mar. 1.

DIVIDEND RESTRICTIONS—See term loan, above.

VOTING RIGHTS—Has one vote per share, with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

OFFERED—($5,000 shares) at $6 per share on Oct. 15, 1954 by Saunders, Stiver & Co. and First Cleveland Corp., Cleveland, and associates. At same time 15,000 additional shares were offered to stockholders and their families at $5.29 per share.

TRANSFER AGENT AND REGISTRAR—Cleveland Trust Co., Cleveland

PRICE RANGE—

	1960	1959	1958	1957	1956
High	11	10¼	9¾	9¾	9
Low	8¼	7¼	7¼	7⅛	7¾

Subscription Rights: Stockholders of record Mar. 1, 1956 had right to subscribe to 37,500 shares at $8 per share on basis of one share for each 4⅓ shares held.

Debenture Subscription Rights to $300,000 convertible subordinated 6s, due 1976, at par, were offered to stockholders of record Sept. 16 on basis of $50 debentures for each 30 shares held. Rights expired Oct. 2, 1959. Offering underwritten by First Cleveland Corp., Cleveland.

LEVINGSTON SHIPBUILDING CO.

History: Incorporated in Delaware July 3, 1945 as successor to a Texas corporation of same name established in 1933.

Business: Company is engaged in construction, conversion and repair of steel water craft; transportation of petroleum by barge in Gulf Coast intracoastal waterways; also does specialty jobs of machine shop work and metal fabrication.

Property: Company owns 7-acre plant site in Orange, Tex. on which are located plate, fabricating, machine and repair shops; also owns in part and in part leases for 88 years 74 acres of land across the river from Texas plant, with improvements consisting of 900 linear feet of side launching and building ways; 500 linear feet of steel sheet pile bulkhead for mooring of 2 floating maintenance docks and a concrete and steel fabricating and layout slab. 5 Diesel tugs and 14 tank barges are also owned.

Affiliates: Varndero y Astillero del Zulia, C. A. (Vazca), Venezuela (25%), is building a shipyard on Lake Maracaibo.

Officers: E. T. Malloy, Pres.; F. J. Malloy, Vice-Pres.; Sec. and Treas.; W. E. Pennington, Exec. Vice-Pres.; R. D. Nantz, G. W. Brown, H. W. Anderson, Peter Bedner, G. W. Brown, Jr., Vice-Pres.; S. M. Vaughn, Contr.

Directors: E. T. Malloy, F. J. Malloy, W. E. Pennington, H. W. Anderson, R. D. Nantz, Peter Bednar, Otho Haunschild, R. E. Murphy, P. R. Neuhaus, G. W. Brown, Jr., S. M. Vaughan.

Counsel: Brown, Beard & Fulbright.

Auditors: Price Waterhouse & Co.

Annual Meeting: Second Wednesday in Sept.

No. of Stockholders: June 30, 1960, 800.

No. of Employees: June 30, 1960, 600.

Offices: Front & Mills Sts., Orange, Tex.

Income Account, years ended June 30:

	1960	1959
Work completed	$5,244,314	$5,472,636
Towing revs.	1,788,202	1,471,740
Total	7,032,516	6,944,376
Costs compl. work	4,825,704	4,979,095
Towing oper. exp.	1,333,194	1,015,636
Gen. & adm. exp.	1,059,763	1,117,086
Net earnings	d 186,143	d 167,491
Oth. income, net	34,222	1,293
Loss	151,923	166,198
Fed. income tax	cr 105,472	cr 94,000
[1]Net loss	46,451	72,198
Prev. retain. earn.	2,820,964	2,922,529
Dividends	29,306	29,367
Retain. earn., 6-30	2,745,207	2,820,964
Earned per share	d $0.16	d $0.25
No. of shares	293,066	293,066

[1] After $545,723 (1959, $531,944) depree., depl., etc.

Sales and Earnings, years to June 30 (in $):

	Sales & Revs.	Net Income	No. of Shares	[1]Earn. Per Sh.
1959	5,472,636	d 72,198	293,066	d 0.25
1958	18,366,598	578,291	293,066	1.97
1957	18,961,632	890,737	294,566	3.02

Balance Sheet, as of June 30:

Assets:	1960	1959
Cash	$262,233	$[illegible]
Receivables, net	729,406	537,522
Tax claim	81,000	94,006
[1]Wk. in process	125,510	140,148
Mater. & suppl.	365,131	559,010
Prepayments	40,182	.....
Total current	$1,603,462	$2,060,371
Bldgs., plant, etc.	7,535,352	7,016,979
Depr., depl., etc.	4,785,700	4,245,204
Net plant, etc.	2,749,652	2,771,775
Other assets	1,022,099	668,424
Prepayments	.....	59,436
Total	$5,375,213	$5,560,036
Liabilities:		
Notes payable	$50,000	$50,000
Accounts payable	163,137	176,645
Accruals	71,833	96,170
Other liabil.	96,294	117,495
Total current	$381,264	$440,350
Note payable	25,000	75,000
Capital stock ($6)	1,905,246	1,905,246
Capital surplus	532,816	532,816
Retained earnings	2,745,207	2,820,964
Total	5,183,269	5,259,026
[2]Reacq. stock	214,320	214,320
Net stk. & surp.	4,969,949	5,044,706
Total	$5,375,213	$5,560,036
Net current assets	$1,222,198	$1,620,021
Net tang. per sh.	$16.96	$17.21

[1] After deduct. $55,310 (1959, $180,972) portion billed. [2] 24,475 shs. at cost.

Capital Stock: L. Levingston Shipbuilding Co. common; par $5:

AUTHORIZED—500,000 shares; outstanding, June 30, 1960, 220,066 shares; in treasury, 24,475 shares; par $5 (changed from no par in 1957, five $5 shares issued for each no par share).

E. T. and F. J. Malloy control 117,351 shares (40%).

VOTING RIGHTS—Has one vote per share.

PREEMPTIVE RIGHTS—None.

DIVIDENDS—Payments since 1955 follow:

On no par shares: 1956, $2; 1957, $1.25.

On $5 par shares: 1957, 75 cents; 1958, 60 cents; 1959, 10 cents; 1960, none.

DIVIDEND RESTRICTIONS—See term loan above.

TRANSFER AGENT AND REGISTRAR—Bank of the Southwest N. A., Houston, Tex.

OFFERED—(100,000 shares) at $16 per share on June 5, 1957 by Underwood, Neuhaus & Co. (Inc.), Houston, and associates. Proceeds of $6,666 shares accrued to company and were used for construction of floating drydock and two oil barges and for general purposes; balance of offering did not represent company financing.

PRICE RANGE—

	1960	1959	1958	1957
High	7	9¾	13½	13¾
Low	4¼	6½	7⅝	11¼

Stock Options: Outstanding, June 30, 1960, options on 21,590 shares at $15.20 per share and 6,600 shares at $16.8625 per share held by key employees.

LIPE-ROLLWAY CORP.

History: Incorporated in New York, Dec. 22, 1924 as W. C. Lipe, Inc. Present name adopted Mar. 16, 1942 on acquisition of controlling interest in Rollway Bearing Co., Inc. Originally founded in 1875.

Business: Engaged in manufacture of heavy duty clutches, bar feeds and roller bearings.

Property: Four plants in Syracuse, N. Y.

Subsidiary: Rollway Bearing Co., Inc.

Officers: H. F. Hodgkins, Chmn.; J. D. Williams, Pres.; H. F. Hodgkins, Jr., R. M. Zimmerman, Vice-Pres.; T. M. Hancock, Sec.; W. M. Hall, Treas. and Asst. Sec.; R. S. Hodgkins, R. H. Wilson, Asst. Sec.

Directors: H. F. Hodgkins, J. D. Williams, S. F. Hancock, R. S. Hodgkins, W. N. Wynkoop, K. A. Digney, G. J. Dietz, Syracuse, N. Y.

Auditors: Gilfoil & McNeal.

No. of Stockholders: Nov. 30, 1960: Class A, 1,016; class B, 7.

No. of Employees: Nov. 30, 1960, 782.

Office: 806 Emerson Ave., Syracuse, N. Y.

Unfilled Orders:

As of Nov. 30	1960	1959
	$2,295,000	$4,415,000

Consolidated Income Account, years ended Nov. 30:

	1960	1959
Net sales	$12,852,054	$12,498,207
Costs & expenses	11,413,855	10,719,726
Depreciation	317,949	242,347
Net earnings	1,121,150	1,536,134
Other income	18,537	18,487
Total income	1,139,687	1,554,621
Interest	13,792	6,673
Income taxes	602,318	837,109
Net profit	523,572	710,840
Prev. retain. earn.	5,560,891	4,983,104
Cl. A divs. (cash)	76,349	106,733
Cl. A divs. (stk.)	33,933	.....
Cl. B divs. (cash)	.....	26,300
Cl. B divs. (stk.)	29,253	.....
Retain. earn., 11-30	5,945,924	5,560,891
Earn., cl. A share:		
Priority basis	$3.43	$4.66
Partic. basis	2.66	2.73
Earn., cl. B sh.	1.58	2.23
No. of cl. A shs.	[1]152,500	152,500
No. of cl. B shs.	131,500	131,500

[1] On partic. basis. [2] Excl. 5,514 shs. for Jan., '61 stk. div.

...ities:		
...nts payable	$199,295	$182,647
...payable	250,000	-------
...taxes	183,700	389,000
...ruals	264,321	323,501
Total current	$896,306	$895,148
...rred stock	792,576	792,576
...l surplus	41,638	41,638
...ined earnings	1,381,736	1,243,565
Total	$3,112,278	$2,972,646
Current assets	$1,175,635	$1,249,960
...tang. com. sh.	$6.29	$5.90

...Lower cost or mkt. [2]352,256, $2.25 par sha.

Capital Stock: La Crosse Cooler Co. com...; par $2.25. Authorized, 500,000 shs.; outstanding, 352,256 shs.

S. Denzer owns or controls 55% of stock.

Dividends:

...: $0.27½ 1961.... $0.50 [1]1962....$0.12½

To Feb. 16.

...s one vote per sh. No preemptive rights.

...nsfer Agent and Registrar: First Wisconsin Trust Co., Milwaukee.

...ffered (100,000 shares) at $10 a share on ...25 1960 by Shearson, Hammill & Co., ...York, and associates. Offering did not ...esent company financing.

...rice Range: 1961, 32¼-19½; 1960, 24-10.

...ock Options held by officers and key em...yees at Dec. 31, 1961, on 9,000 shares at ...56 a share.

...KE SHORE, INC.

...istory: Incorporated in Michigan Dec. 2, ... as Lake Shore Engineering Co., a mer... of Lake Shore Engine Works and Ser... & Supply Co. Originally established ... 14, 1856 as Lake Superior Foundry Co. ...ent name adopted in 1953.

...n Aug. 1949, purchased Chicago Automatic ...veyor Co. and conveyor division of Ke...nee Machinery & Conveyor Co., Kewanee.

...n Jan. 1953, acquired Almon A. Johnson, ... New York, and Meyers Equipment Co., ...luth, Minn.

...n May, 1958, acquired Steel Products Steam... Corp., and started Lake Shore Steel Divi... (Warehouse), Marquette, Mich. In July, ... acquired K-B Supply Company, Hibbing, ...nn., now operated with Duluth as Minne... Div.

...n 1961 acquired Affiliated Engineering ...uipment Co., Ltd., and Lee Redman Equip...nt Co., Phoenix, Ariz.

...usiness: Manufactures mining, marine and ...dustrial machinery and equipment and con...yors. Also performs engineering services ...d distributes supplies and equipment manu...ctured by others.

...Properties: Plants located at Iron Mountain ...d Marquette, Mich. have a combined floor ...ea of 220,000 sq. ft.

...Branch offices located in New York, Detroit, ...n Francisco, Denver, Duluth, Chicago, Hib...ng, Milwaukee, New Orleans, Phoenix, ...ttsburgh.

...Subsidiary: Affiliated Engineering Equip...ent Ltd., Montreal and Toronto.

...Officers: B. W. Reeve, Pres.; J. T. Malsack, ...ce-Pres.; R. S. Shepard, E. F. Patenaude, ... Redman, Vice-Pres.; P. B. Mitchell, Asst. ...ce-Pres. and Sec.; D. R. Erickson, Treas.

...Directors: R. Q. Archibald, Mrs. F. A. Fig..., A. M. Fox, A. E. Gibson, J. T. Malsack, ... B. Neal, E. L. Pearce, L. N. Perrin, B. W. ...eve, Frederick Sammond, W. A. Sterling, ...aymond Turner.

...Auditors: Price Waterhouse & Co.

...Annual Meeting: Third Friday in June.

...No. of Stockholders: Nov. 30, 1961: Pre...rred, 58; common, 214.

...No. of Employees: Nov. 30, 1961, 482.

...General Office: Iron Mountain, Mich.

...Consolidated Income Account, years ended

...ov. 30:	[1]1961	1960
...et sales & revs...	$13,302,639	$11,529,567
...ost of sales	11,089,346	9,604,516
...elling, etc. exp..	1,773,403	1,537,290
...et earnings	429,890	387,761
...ther income, net..	67,429	91,133
...otal income	507,319	478,894
...nterest	104,391	87,707
...oss assets sold ..	39,873	
...ed. income tax ..	38,000	199,000
...eferred inc. tax..	157,000	
...inority interest ..	cr 1,179	-------
...Net income	169,225	192,187
...rev. retain. earn.	2,847,898	2,743,048
...referred divs.	9,563	7,099
...ommon divs.	81,564	79,328
...erger surplus	84,961	-------
...etain. earn., 11-30	[3]3,013,845	2,847,899
...arn., pfd. share..	$15.59	$17.49
...arn., com. share..	1.38	1.71
...o. of pfd. shares.	10,856	10,988
...o. of com. shares	120,000	108,321

[1]Incl. $2,260,000 restricted. [2]After deprec.; 1961, $188,220; 1960, $128,243. [3]Incl. Lee Redman Equip. Co., acq. pool. int., for entire year.

...Consolidated Balance Sheet, as of Nov. 30:

	1961	1960
Assets:		
Cash	$269,858	$374,328
Receivables, net ..	2,704,284	1,641,241
[1]Inventories	2,224,001	2,109,999
Prepayments, etc..	28,413	36,661
Total current .	$5,226,560	$4,162,347
Plant & equip.	2,761,750	2,531,732
Deprec. & amort...	1,682,914	1,472,411
Net property	1,078,836	1,059,321
Oper. franchise ..	100,000	100,000
Exc. inv. in sub. ..	45,144	45,144
Deferred exp., net	133,094	-------
Other assets	37,511	19,959
Total	$6,621,555	$5,409,671
Liabilities:		
Notes payable	$1,214,500	$775,000
Accounts payable..	1,031,075	465,260
Div. payable	36,000	32,196
Accruals, etc.	227,373	210,628
Fed. income tax ..	11,061	176,417
Total current .	$2,500,309	$1,601,311
Notes payable	638,600	770,000
Minority interest .	18,821	-------
6% pfd. stk. ($10)..	150,000	150,000
[2]Common stock ..	122,000	122,000
Retained earnings.	3,013,845	2,847,898
Total	3,135,845	2,969,898
[3]Reacq. stock	41,420	242,034
Net stk. & surp..	3,314,425	2,947,860
Total	$6,621,555	$5,409,671
Net current assets	$2,638,251	$2,470,436
Net tang. com. sh.	$24.72	$26.20

[1]Lower cost or mkt. [2]120,000 no par shs. [3]4,142 (1960, 4,012) pfd. and (in 1960 only) 11,612 com. shs. at cost.

Term Loan: Outstanding, Nov. 30, 1960, $770,000 4½% notes payable $66,000 annually to May 1, 1973 plus contingent payments each May 1 (until $340,000 notes have been paid by contingent payments and optional prepayments) of 10% of consolidated earned surplus accummulated during preceding fiscal year in excess of $100,000. Proceeds to repay outstanding loan of $604,000; balance for entrance into steel warehousing business.

Company may not pay cash dividends on or acquire capital stock in excess of consolidated earned surplus after Nov. 30, 1957 plus $150,000. Company agrees to maintain consolidated net current assets of at least $1,800,000 At Nov. 30, 1961, $2,260,000 of retained earnings were so restricted.

Capital Stock: 1. Lake Shore, Inc. 6% cumulative preferred; par $10:

Authorized, 15,000 shares; outstanding, 10,856 shares; in treasury, 4,142 shares; par $10.

Regular dividends paid quarterly. For dividend restriction, see term loan above.

Has no voting power. In any liquidation entitled to par and dividends. Callable as a whole or in part at any time at $10.60 per share and dividends.

2. Lake Shore, Inc. common; no par:

Authorized, 120,000 shares; outstanding, 120,000 shares; no par.

DIVIDENDS PAID—(calendar years):

1939-51	$0.40	1952-56	$0.60	1957-61	$0.70

For dividend restriction, see term loan above.

Has exclusive voting power.

Transfer and Dividend Disbursing Agent and Registrar: Company.

LEATH & CO.

History: Incorporated in Delaware May 19, 1923, as successor to A. Leath & Co., incorporated in Illinois May 29, 1909, which succeeded a company of same name incorporated in Arizona in Sept., 1907.

In May, 1960, acquired 50% interest in Lou Regester Furniture Co., Inc., Phoenix.

Business: Operates a group of 38 retail furniture stores located in Illinois, Iowa, Wisconsin, Michigan, Minnesota and Indiana.

Affiliate: Lou Regester Furniture Co., Inc., Phoenix (50% owned).

Officers: I. H. Hartman, Chmn.; I. H. Hartman, Jr., Pres.; C. E. Thoma, Exec. Vice-Pres.; G. C. Adams, Vice-Pres.; R. G. Huber, Sec. and Treas.; A. J. Powell, Asst. Sec.; B. H. Maahs, Asst. Treas.

Directors: I. H. Hartman, I. H. Hartman, Jr., E. C. Austin, I. E. Meyerhoff, L. E. Krantz, C. E. Thoma, G. C. Adams, R. G. Huber, R. A. Alshton.

Annual Meeting: Second Monday in April.

General Counsel: Sidley, Austin, Burgess & Smith, Chicago.

Auditors: Price Waterhouse & Co.

No. of Stockholders: Dec. 31, 1961, 1,050.

No. of Employees: Dec. 31, 1961, 412.

Offices: 7111 North Lincoln Ave., Chicago 46.

Consolidated Income Account, years ended

Dec. 31:	1961	1960
Net sales	$10,030,326	$11,087,333
Costs & expenses.	8,699,058	10,475,284
Depreciation	164,078	170,603
Net oper. profit ..	167,190	441,446
Other income, net.	175,229	193,301
Total income	342,419	634,747
Fed. income tax ..	155,000	300,000
Net income	187,419	334,747
Retain. earn., 1-1..	5,322,576	5,293,445
Common divs.	208,748	305,616
Retain. earn., 12-31	5,301,249	5,322,576
Earn., com. share.	$1.26	$2.25
No. of com. shares	149,107	149,097

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1960....	11,671,058	432,918	149,037	2.04
1959....	10,177,434	463,959	149,017	2.95
1958....	11,026,324	544,322	148,927	3.43
1957....	11,537,952	644,162	148,892	4.04
1956....	10,851,564	606,493	148,862	3.75

Consolidated Balance Sheet, as of Dec. 31:

	1961	1960
Assets:		
Cash	$521,118	$520,992
Receivables, net ..	3,061,129	3,432,621
Life ins., cash val.	-------	52,620
[1]Inventories	2,838,970	2,787,601
Prepayments	98,090	129,822
Total current .	$6,579,305	$6,913,659
Land, bldgs., etc...	2,372,603	2,271,385
Depreciation	1,150,736	1,070,373
Net property	1,221,867	1,201,013
Invest. in affil. ..	239,257	239,257
Life ins., cash val.	61,942	-------
Goodwill	1	1
Total	$8,102,372	$8,386,930
Liabilities:		
Loan payable	-------	$100,000
Accts. payable	$634,815	571,102
Accruals	325,735	302,598
Customers' dep. ..	84,364	82,214
Divs. payable	52,187	149,094
Fed. inc. tax res...	189,000	205,000
Total current .	$1,306,099	$1,410,008
Note payable	100,000	200,000
Fed. inc. tax res...	853,856	913,360
[2]Common stock ..	546,633	546,633
Retained earnings.	5,201,249	5,322,576
Total	5,849,882	5,871,209
[3]Reacq. stock	7,465	7,647
Net stk. & surp..	5,842,417	5,863,562
Total	$8,102,372	$8,386,930
Net current assets	$5,273,206	$5,503,651
Net tang. com. sh.	$39.18	$39.33

[1]Lower cost or mkt. [2]Shs. at cost: 1961, 415; 1960, 425. [3]149,522 no par shs.

Note: At Dec. 31, 1961, minimum annual rentals under 42 leases expiring more than three years, totaled $319,000.

Term Loans: Outstanding, Dec. 31, 1961, $100,000 4% note payable to bank. Due $25,000 quarterly beginning Jan. 1, 1963. Proceeds used for redemption of $2.50 cumulative preferred stock.

Capital Stock: 1. Leath & Co., common; no par:

AUTHORIZED—150,000 shares: outstanding, 149,107 shares; in treasury, 415 shares; no par.

VOTING RIGHTS—Has one vote per share.

PURPOSE—Issued in exchange for old common, share for share, in accordance with recapitalization plan approved Dec. 30, 1935 (see Moody's 1936 Industrial Manual for details).

DIVIDENDS—

On present no par shares:					
1936-37	$0.50	1938....	Nil	1939-40	$0.40
1941....	0.50	1942-43	$0.40	1944....	0.50
1945....	0.80	1946....	2.35	1947....	3.50
1948....	1.50	1949-55	2.00	1956....	2.30
1957-61	205	[1]1962....	0.70		

[1]To Apr. 3.

LISTED—On Midwest Stock Exchange.

PRICE RANGE—	1961	1960	1959	1958	1957
High.....	30	29¾	31¾	27½	25½
Low.....	24	23¾	25¼	19¼	20

Transfer and Dividend Disbursing Agent Company's office.

Registrar: First National Bank, Chicago, Ill.

LEE RUBBER & TIRE CORP.

History: Incorporated under a perpetual charter in New York, Dec. 15, 1915 to acquire all of the preferred and common stocks of Lee Tire & Rubber Corp., incorporated in Pennsylvania, June 16, 1911, and all of the capital stock of the latter's subsidiary, Lee Tire & Rubber Co. of New York, Inc. In July, 1924, Lee Tire & Rubber Co. (Pa.) was dissolved and merged with the parent.

By the payment of 64,837 shares of capital stock, acquired in June, 1923, The Republic Rubber Co., incorporated in Ohio on May 21, 1923. The latter acquired at Receivers' sale on June 7, 1923 the properties at Youngstown and Canton, O., of The Republic Rubber Corp. The latter was incorporated in New York on Oct. 6, 1917 to acquire the properties of (1) The Republic Rubber Co., which had been incorporated in Ohio on Feb. 28, 1901 as the Mahoning Rubber Mfg. Co. and changed its name Nov. 27, 1901 to The Republic Rubber Co., and (2) The Knight Tire & Rubber Co., which was incorporated in 1911 and changed its name to the Canton-Blackstone Co. in 1919.

In 1936 Republic Rubber Co. (Ohio) was liquidated and its assets acquired by the parent.

Business: Manufactures tires and tubes sold for replacement purposes through over 19,000 distributors and dealers; also batteries and tread rubber. Company operates 41 factory branches in principal cities east of the Mississippi River and in Dallas, Los Angeles, Oakland, Phoenix and Portland.

Company also distributes tires in the Midwest through the service stations of Phillips Petroleum Co., and on the West Coast through Signal Oil Co.

Manufactures mechanical rubber goods consisting chiefly of packing and conveyor belting, hoses of all kinds and accessories for the automobile industry, such as rubber flooring, rubber stripping, etc.

Property: The production is concentrated at the Conshohocken, Pa. plant which has 647,000 sq. ft. of floor space. This plant was originally built in 1911 and has subsequently had small additions. A minor operation at this location comprises the manufacture of rubber goods, such as kneeling pads, cushions, sink mats, bath mats, dishes, soap dishes, sponges, door mats, window wedges, tank balls, tubing, stopper, bath spray outfits, coasters, tire repair kits, tire cement, paint and rubber articles for medical and surgical purposes.

The mechanical rubber goods plant at Youngstown has a total floor area of 660,000 sq. ft. The early buildings were erected in 1900 with constant additions thereafter but the bulk, including the present main buildings, was erected in 1910 and 1911.

Officers: A. A. Garthwaite, Chmn.; A. A. Garthwaite, Jr., Pres.; W. F. Hinderscheid, Vice-Pres. (Sales); E. M. Dirt, Treas.; R. V. Falconiero, Contr.; P. Van Anda, Sec.; J. B. Webb, Asst. Treas. and Asst. Sec.; G. J. Fluri, Asst. Contr.; T. C. Boase, Asst. Sec.

Directors: A. A. Garthwaite, A. A. Garthwaite, Jr., R. M. Brassemle, W. F. Hinderscheid, A. H. Nellen, Conshohocken, Pa.; Stanton Griffis, A. E. Impey, P. Van Anda, New York; John MacShain, Thorpe Nesbit, R. E. Carpenter, Jr., E. M. Dirt, Herman Kahn.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: Last Thursday in Feb.

No. of Stockholders: Oct. 31, 1961, 6,010.

No. of Employees: Oct. 31, 1961, 2,547.

General Office: Conshohocken, Pa.

Income Account, years ended Oct. 31:

	1961	1960
Net sales	$44,683,337	$44,298,913
Cost of sales	34,347,967	34,454,269
Selling, etc., exp.	9,366,201	8,936,242
Depreciation	832,723	822,754
Operating profit	136,446	85,648
Other income	67,052	85,229
Total income	203,498	170,877
Other deductions	1,245	10,732
Comp. insur. res.	cr 250,000	----------
Gain fgn. sub. liq.	----------	356,000
Fed. income tax	173,000	194,000
Net income	279,253	322,145
Prev. retain. earn.	15,754,097	18,458,064
Dividends	504,829	1,026,112
Retain. earn., 10-31	15,528,521	15,754,097
Earn. com. share	$0.33	$0.38
No. of com. shares	838,800	846,609

Sales & Earnings, years to Oct. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	52,164,161	1,521,479	856,239	1.78
1958	46,559,852	1,797,919	846,132	2.12
1957	48,601,093	1,762,391	843,512	2.09
1956	46,581,943	1,612,500	850,094	1.90
1955	43,912,226	1,750,671	851,166	2.06
1954	39,385,382	1,400,595	281,423	4.97
1953	46,302,361	1,674,528	278,393	6.01
1952	45,335,579	1,767,379	265,199	6.66
1951	50,402,406	2,185,632	253,584	8.62
1950	39,287,235	2,944,732	253,584	11.61

Balance Sheet, as of Oct. 31:

Assets:	1961	1960
Cash	$2,105,110	$3,609,503
U. S. Gov. etc., sec.	1,670,975	281,985
Receivables, net	7,366,931	5,966,718
Inventories	10,035,193	11,920,253
Prepayments	452,947	343,498
Total current	$21,671,156	$22,121,962
Plant & equip.	19,801,923	19,046,227
Deprec. & amort.	11,081,664	10,487,206
Net property	8,720,259	8,559,021
Notes receivable	74,684	65,274
Total	$30,466,099	$30,746,257
Liabilities:		
Accounts payable	$2,069,400	$1,746,140
Acceptances pay.	456,085	683,638
Accrued expenses	866,639	681,382
Income tax res.		
Total current	$3,393,124	$3,114,160
Comp. insur. res.	107,467	376,603
Pens. & insur. res.	695,555	673,796
Def. Fed. tax res.	784,400	743,100
Cap. stock ($5)	4,739,325	4,736,575
Capital surplus	6,451,921	6,445,736
Retained earnings	15,528,521	15,754,097
Total	26,710,767	26,936,408
Reacq. stock	1,234,214	1,097,810
Net stk. & surp.	25,485,553	25,838,598
Total	$30,466,099	$30,746,257
Net current assets	$18,278,032	$19,007,802
Net tang. per sh.	$30.38	$30.52

Lower cost or mkt., except fin. tires and tubes lifo. Shs. at cost: 1961, 109,665; 1960, 160,766. After deduct., $120,414 (1960, $96,786) U. S. Govt. secur.

Capital Stock: 1. Lee Rubber & Tire Corp. capital stock; par $5:

AUTHORIZED—90,000 shares; outstanding, Jan. 31, 1961, 823,500 shares; in treasury, 109,665 shares; reserved for options 27,135 shares; par $5.

Par changed from no par to $5 July 7, 1932, share for share; shares split 3-for-1 Mar. 3, 1955.

DIVIDENDS—(calendar years)

1915	nil	1916	2.25	1917-19	nil
1920	1.50	1921-22	2.00	1923	1.50
1924-33	nil	1934	0.40	1935-36	0.50
1937	1.00	1938	2.50	1939	2.50
1940-44	2.25	1945	2.50	1946	3.75
1947	3.00	1948	3.50	1949	3.00
1950-51	5.00	1952	3.50	1953	4.00
1954	4.00	1955	0.75		

(After 3-for-1 split, Mar. 15, 1955)

1955	1.85	1956	1.20	1957	1.40
1958-60	1.20	1961	0.60	1962	0.07½

Plus 5% in stock.

To Feb. 1.

PREEMPTIVE RIGHTS—None, except as is given by the statutes of the State of New York.

LISTED—New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co. of New York.

REGISTRAR—Bankers Trust Co., New York.

OFFERED—At $50 per share in Dec., 1915 by Hornblower & Weeks and White, Weld & Co., New York.

PRICE RANGE—

	1961	1960	1959	1958	1957
High	21	24½	30½	25¾	21¾
Low	14⅞	14⅜	21½	18½	17⅛

Stock Options held by officers and key employees at Oct. 31, 1961 on 22,973 shares at prices from $14.92 to $20.48 per share expire Dec. 31, 1967.

LILLY (ELI) & CO.

History: Incorporated in Indiana Jan. 17, 1901 as successor to company organized in 1881. Reorganized in Indiana Jan. 28, 1938.

Business: Company manufactures pharmaceuticals and biologicals, including antibiotics, vitamins, insulin, liver products, barbiturates, poliomyelitis vaccines, anticancer and corticosteroid products etc., and animal nutriments.

Property: Company owns plants at Indianapolis, Lafayette, Greenfield, Ind. Subsidiaries own plants in Omaha, Roanoke, Argentina, Brazil, Australia, Canada, Columbia, England, Italy and Mexico.

Subsidiaries: Eli Lilly International Corp., Eli Lilly Pan-American Corp., Eli Lilly & Co., Ltd., Eli Lilly & Co. (Canada) Ltd., Eli Lilly y Compania de Mexico, S. A. de C.V., Eli Lilly & Co. of Argentina, Inc., Eli Lilly & Co. of Brazil, Inc., Eli Lilly & Co. of Colombia, Inc.; Corn States Laboratories, Inc., Eli Lilly (Australia) Pty. Ltd.; Eli Lilly S.A., Geneva, Laboratorios Armour de Argentina, Creative Packaging, Inc.

In addition, Eli Lilly & Compania de Cuba, S.A. and Eli Lilly & Co. of India, Inc. Lilly Laboratories (S.A.) Pty. Ltd. (owned by Eli Lilly International Corp.).

Eli Lilly France S.A., Eli Lilly GmbH, Eli Lilly Italia S.p.A., Eli Lilly del Peru, S.A., Eli Lilly (Philippines) Inc., Societe Chimique Francaise S.a.r.l., Arrendamientos e Inmerubles, S.A. and Eli Lilly y Compania de Venezuela, S.A. (owned by Eli Lilly S.A.).

Capital Expenditures: Plant and equipment: 1961, $9,179,000 (1960, $3,490,000) research and development: 1961, $20,165,000 (1960, $19,701,000).

Officers: Eli Lilly, Hon. Chmn.; J. K. Lilly, Chmn.; E. N. Beesley, Pres.; W. R. Spurlock, R. M. Rice, T. P. Carney, C. R. Miller, Lot Green, T. D. Hoover, J. E. Marmon, A. J. W. LeBien, Vice-Pres.; J. O. Waymire, Vice-Pres. and Treas.; W. G. Davis, Sec.; N. H. Noyes, Chmn., Fin. Comm.; A. M. McVie, Jr., Asst. Sec. and Asst. Treas.

Directors: B. E. Beck, E. N. Beesley, W. A. Hanley, Eli Lilly, J. K. Lilly, C. R. Miller, N. H. Noyes, A. J. W. LeBien, W. R. Spurlock, J. O. Waymire, T. P. Carney, T. D. Hoover, J. E. Marmon, Lot Green, R. M. Rice.

Purchasing Agent: I. J. Klinganman.

Auditors: Ernst & Ernst

Annual Meeting: 2nd Tuesday in March.

No. of Stockholders: Dec. 4, 1961: Preferred, 37; common, 10,099.

No. of Employees: Dec. 31, 1961, 10,373.

Office: Indianapolis 6, Ind.

Consolidated Income Account, years ended Dec. 31:

	1961	1960
Net sales	$198,117,689	$174,548,121
Cost & expenses	145,115,752	135,909,199
Depreciation	6,039,506	5,792,142
Net earnings	46,662,431	36,846,780
Other income	3,228,712	3,735,695
Total income	49,891,143	40,582,475
Other deductions	1,645,338	849,258
Income taxes	25,770,135	21,011,571
Net income	22,475,670	18,721,576
Retain. earn., 1-1	137,149,997	134,701,864
Preferred divs.	67,797	67,793
Common divs.	15,013,575	15,07[illegible]
Retain earn., 12-31	140,546,295	137,149,997
Earn., pfd. share	$1,794.10	$1,341.62
Earn., A & B share	2.84	2.33
No. of pfd. shares	12,862	13,465
No. of A & B shs.	7,983,757	7,972,517

Incl. net inc. fgn. brs. and subs.: 1961, $2,541,886; 1960, $2,874,780.

Sales and Earnings, years to Dec. 31:

	Net Sales	Net Income	No. of Shares	Earn. on A&B
1959	187,010,259	23,445,757	7,963,141	2.93
1958	180,471,340	23,675,080	7,943,184	2.97
1957	199,800,870	32,296,593	7,906,612	4.07
1956	181,529,751	30,052,815	7,826,664	3.83
1955	141,316,699	16,328,041	7,640,763	2.12
1954	122,260,286	11,312,662	2,527,518	4.44
1953	125,280,985	13,373,891	2,526,276	4.85
1952	120,089,301	11,711,117	2,525,566	4.59

Old common and class B shares in 1954 and prior years.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1961	1960
Cash	$14,171,142	$17,654,714
Govt. secur., cost	66,640,702	54,967,214
Receivables, net	20,991,909	18,469,880
Inventories	45,704,874	41,871,787
Total current	$147,508,621	$130,963,595
Bldgs. & equip.	110,230,250	102,711,226
Deprec. & amort.	63,730,468	58,477,360
Net bldgs., etc.	70,413,782	73,615,866
Land	4,385,882	4,322,463
Other assets	3,123,851	3,742,743
Total	$225,432,116	$212,644,667
Liabilities:		
Subsid. loans pay.	$2,232,944	$1,221,385
Accts. payable, etc.	17,822,207	14,219,554
Income taxes	15,065,460	13,756,883
Total current	$34,920,611	$29,419,722
5% pfd. stk. ($100)	1,286,200	1,346,500
Class A ($5)	14,966,290	14,911,715
Class B ($5)	25,471,735	25,249,035
Paid-in surplus	12,517,026	11,679,916
Retained earnings	140,516,254	137,449,997
Total	194,777,515	190,749,243
Reacq. stock	9,345,399	8,746,318
Net stk. & surp.	185,432,116	182,002,925
Total	$221,452,116	$212,644,667
Net current assets	112,588,010	101,543,873
Net tan. A & B sh.	$22.26	$22.50

Lower cost (fifo) or mkt. Cons. sh. at cost: 1961, 107,818; 1960, 92,233. Adjust. cred. $887,587 excess proc. over par o/s stk.

Capital Stock: Eli Lilly & Co. 5% cumulative preferred; par $100:

AUTHORIZED—13,121 shares; outstanding, 12,862 shares; par $100.

PREFERENCES—Has preference as to assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $5 per share annually, payable quarterly Mar. 10, etc.

LIQUIDATION RIGHTS—In any liquidation, entitled to $100 per share and dividends.

CALLABLE—As a whole, or in part pro rata, on at least 30 days' notice on any dividend date at $101 per share and dividends.

VOTING RIGHTS—Has no voting power, except as provided by law.

2. Eli Lilly & Co. class A common; $5:

AUTHORIZED—3,000,000 shares, outstanding, 2,913,673 shares; in treasury, 81,245 shares; reserved for options, 13,512 shares; par $5.

Par changed from no par to $5 Dec. 15, 1955, by 3-for-1 split.

VOTING RIGHTS—Has sole voting power.

DIVIDENDS—(payments since 1949 follow):

On no par shares:

1950-51	$1.20	1952	$2.50	1953-54	$2.90
1955	$3.15				

On $5 par shares:

1956	1.80	1957-58	2.00	1959	2.50
1960	2.00	1961	2.50	1962	0.60

To Mar. 11.

3. Eli Lilly & Co. class B common; par $5:

AUTHORIZED—6,000,000 shares; outstanding, 5,070,084 shares; in treasury, 27,695 shares, reserved for options, 330,348 shares; par $5.

Par changed from no par to $5 Dec. 15, 1955, by 3-for-1 split.

VOTING RIGHTS—Has no voting power.

DIVIDENDS—See common, No. 2.

PRICE RANGE—

	1961	1960	1959	1958	1957
High	93	83	86	57½	51⅛
Low	63	61	52	35½	30

Transfer and Dividend Disbursing Agent (all stocks): Chemical Bank New York Trust Co., New York.

Registrar (all stocks): Bankers Trust Co., New York.

Options held by officers and key employees at Dec. 31, 1961 on 15,513 class A common shares and 339,348 class B common shares. Option price not to exceed

LIPE-ROLLWAY CORP.

History: Incorporated in New York Dec. 22, 1924 as W. C. Lipe Inc. Present name adopted Mar. 16, 1942 on acquisition of controlling interest in Rollway Bearing Co. Inc. (originally founded in 1875).

Business: Engaged in manufacture of heavy duty clutches, bar feeds and roller bearings.

Property: Five plants in Syracuse, N. Y.

Subsidiary: Rollway Bearing Co., Inc.

Officers: H. F. Hodgkins, Chmn.; J. D. Williams, Pres.; H. F. Hodgkins, Jr., R. M. Zimmerman, Vice-Pres.; T. M. Babcock, Sec.; W. M. Hall, Treas. and Asst. Sec.; H. S. Hodgkins, H. H. Wilson, Asst. Sec.

Lee 1963

DIVIDENDS PAID—

On $5 par shares:					
1928	$1.00	1927	$3.00	1928	$3.50
On no par shares:					
1929	2.50	1930	1.56¼	1931	0.15
On $1 par shares:					
1942	0.20	1943	0.30	1944	nil
1945-46	0.20	1947	0.40	1948	0.60
1949	0.75	1950	1.10	1951-52	1.00
1953	1.10	1954	1.00	[1]1955	0.95
[1]1956	0.45	1957-60	nil	1961	[1]
1962	nil				

[1]Also 100% in stock (cash includes 80 cents prior to stock dividend) in 1955 and 5% in 1956; 1961, 4% in stock.

OFFERED—(160,000 no par shares) at $37.50 per share in Oct., 1928, by Keane, Higbie & Co., Inc., Detroit.

TRANSFER AGENT AND REGISTRAR—Ohio Citizens Trust Co., Toledo.

DIVIDEND DISBURSING AGENT—Company.

LISTED—On American Stock Exchange.

PRICE RANGE—	1962	1961	1960	1959	1958
High	5¾	7	9⅜	5	3¾
Low	3	5	4⅜	3⅛	1½

Stock Options held by employees and counsel at Dec. 31, 1962 on 26,000 shares at prices from $5.25 and $5.88 a share expiring in 1968.

LE TOURNEAU (R. G.), INC.

History: Incorporated in California Nov. 19, 1929. As of Jan. 1, 1930, acquired business of R. G. Le Tourneau, privately owned. On Dec. 8, 1938, Le Tourneau Co. of Georgia (Ga.) was formed. The Le Tourneau Foundation purchasing all the common stock, which R. G. Le Tourneau, Inc. took over on Oct. 14, 1939 under an option agreement.

On Dec. 30, 1950, Le Tourneau Co. of Georgia, and Le Tourneau Co. of Mississippi, wholly-owned subsidiaries, were dissolved and assets and operations taken over by company.

On May 1, 1953, company sold to Le Tourneau-Westinghouse Co., a subsidiary of Westinghouse Air Brake Co. earthmoving equipment business with related equipment, inventory and patents and plants at Peoria Ill. and Toccoa, Ga.; also capital stock of Le Tourneau (Australia) Pty. Ltd. and Tournapull Housing Corp. for a total cash consideration of $31,447,502.

Control: At Dec. 31, 1962, Le Tourneau Foundation, a California corporation organized for religious purposes, owned 27.4% of common stock.

Business: Engaged in the business of inventing, designing, developing, manufacturing and selling heavy duty electrically powered and controlled equipment, propelled by independent electric power wheels, each of which drives, steers and brakes. Equipment includes four-wheeled, rubber-tired, land clearing tractors, tree saws, mobile cranes, off road transports, logging arches and skidders. Also hoists, winches, factory cranes, A. C. and D. C. Electric motors, gear motors, gear boxes, generator sets, power control equipment, sawmills, small cargo ships, military vehicles and forms, moving equipment for pre-cast concrete houses and offshore oil drilling platforms. Also produces and sells steel plate, tree crushers, earthmovers.

Properties: Following are owned in fee by company:

Vicksburg, Miss.—Buildings (steel frame with wood roof and walls—contain 323,000 sq. ft. of floor space, located on tract of land comprising 1,230 acres.

Longview, Tex.—Plant (steel frame and aluminum) contains 382,000 sq. ft. of floor space, located on 263-acre tract and a new aluminum dome type building added in 1954, containing 70,000 sq. ft. of floor space. In 1955 a steel mill was added to facilities.

Officers: R. G. Le Tourneau, Pres.; R. S. Le Tourneau, Exec. Vice-Pres.; R. L. Le Tourneau, Vice-Pres. (Marine Sales); B. F. Whitbread, Vice-Pres. (Equip. Sales); C. O. Swanson, Vice-Pres. and Treas.; J. C. Bobb, Contr.; M. R. Stringer, Asst. Sec.-Treas.

Directors: R. L. Le Tourneau, Evelyn Le Tourneau, R. G. Le Tourneau, R. H. Le Tourneau, Herbert Buschman, A. W. Hughes, G. T. Willey.

General Counsel: Vinson, Elkins, Weems & Searls, Houston.

Auditors: T. B. Trotter Co., Houston.

Annual Meeting: Wednesday following last Tuesday in March.

No. of Stockholders: Dec. 31, 1962, 426.

No. of Employees: Dec. 31, 1962, 860.

Executive Offices: P. O. Box 2307, Longview, Texas.

Consolidated Income Account, years ended Dec. 31:

	1962	1961
Sales & service	$13,147,698	$11,115,119
Other income, net	113,491	[2]82,804
Total	13,261,189	11,920,024
Cost of sales, etc.	11,516,059	9,887,312
Selling, etc., exp.	2,051,747	1,924,998
Depreciation	251,835	712,273
Interest	233,217	231,315
Net income	d1,792,719	[3]1,075,291
Retain. earn., 1-1	6,206,196	8,202,938
Com. divs. (Sch.)	265,643	417,410
Retain. earn., 12-31	4,231,834	[4]8,860,819
Earn. com. share	$1.39	[5]2.39
No. of com. shares	387,490	[5]387,373

[1]Incl. $2,527,833 gain mach. & equip. sold. [2]Adj. figures due to deferment of gain on (d $4.08 a sh. adj. for stk. divs. in 1962); retain. earns., $6,208,196. [3]$2.78 on 387,490 shs. adj. for 1% stk. divs. declared in 1962.

Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Profit	No. of Shares	Earn. on Com.
1960	12,989,525	263,127	387,845	0.74
1959	9,426,765	d 2,297,204	344,058	d 6.68
1958	7,430,386	d 2,190,464	360,195	d 6.08
1957	13,317,796	20,066	360,195	0.06
1956	7,614,606	d 2,577,126	360,195	d 7.15
1955	13,330,111	d 104,529	360,195	d 0.25
1954	6,210,574	d 1,212,394	360,195	d 3.37
1953	16,325,575	11,225,260	420,811	[1]28.44
1952	55,496,529	2,133,672	503,370	3.90
1951	55,842,710	3,167,849	503,378	5.93

[1]Before profit on assets sold earned per common share amounted to d $1.43.

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1960, 0.68; 1959, d 5.93; 1958, d 5.24; 1957, 0.05; 1956, d 6.18; 1955, d 0.24; 1954, d 2.90; 1953, 22.77; 1952, 3.36; 1951, 5.13.

Shares: 1960, 387,475; 1959, 387,650; 1958-54, 418,186; 1953, 488,562; 1952-51, 584,413.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1961	1962
Cash	$290,338	$874,140
Receivables, net	6,858,403	2,024,669
[1]Inventories	6,175,843	8,277,560
Prepayments, etc.	418,149	114,486
Total current	$13,143,369	$11,890,855
[2]Net property	4,772,824	5,527,602
Deposits	964,694	691,825
Non-curr. rec.	570,758	----
Other assets	[3]1,111,753	----
Total	$15,563,390	$18,180,282
Liabilities:		
Accounts payable	$1,669,284	$2,341,207
Notes payable	1,910,988	1,264,143
Cust. advances	812,622	342,505
Accruals	328,855	312,305
Total current	$4,141,841	$4,260,250
Notes payable	267,074	1,031,133
Deferred income	[4]2,079,229	----
Invest. tax credit	13,689	----
Com. stock ($1)	387,490	372,373
Paid-in surplus	3,734,233	3,485,707
Retained earnings	4,239,834	8,860,819
Total	$15,563,390	$18,180,232
Net current assets	$4,001,528	$7,510,605
Net tang. com. sh.	$21.58	[5]$34.16
[2]Depr. & amort.	$3,416,828	$7,950,310

[1]Lower cost or mkt. [2]$12.82 adj. for stk. divs. in 1962. [3]Incl. $1,088,064 inventory of parts & equip. in excess of one year's require. [4]From sale of prod. mach. & equip.

Notes Payable: Outstanding, Dec. 31, 1962, $2,278,034 secured on land, accounts receivable and inventory.

Capital Stock: R. G. Le Tourneau, Inc., common; par $1:

AUTHORIZED—600,000 shares; outstanding, Dec. 31, 1962, 387,490 shares; par $1.

Par changed from $100 to $10 in Nov., 1934 (change effected in 1935); changed from $10 to $1 in Dec., 1935, both by 10-for-1 splits plus 100% stock dividend in 1935.

As of Dec. 31, 1962, Le Tourneau Foundation held 338,587 shares.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—

(Par $100 shares)					
1929-33	Not avail.			1934	12.00
(Par $10 shares)					
1935	4.00				
(Par $1 shares)					
1935	[1]Nil	1936	6.00	1937	2.50
1938	1.25	1939-40	1.00	1941-42	1.50
1943-46	1.00	1947	0.25	1948-50	nil
1951	0.50	1952-53	1.25	1954-58	1.00
[1]1959	0.25	1960-62	[2]	[1]1963	[2]

[1]Also stock dividends: 1935, 100%; 1959, 3%; 1960-62, 4%; Mar. 1, 1963, 1%.

[2]To Mar. 2, paid 1% in stock.

ISSUED—Proceeds used for general corporate purposes.

OFFERED—56,250 shares (par $1) in April, 1936 at $19.50 per share by Dean Witter & Co., San Francisco. Offering did not represent company financing.

TRANSFER AGENT—Wells Fargo Bank, San Francisco, and First National City Bank, New York.

REGISTRAR—Crocker-Anglo National Bank, San Francisco, and Schroder Trust Co., New York.

DIVIDEND DISBURSING AGENT — Wells Fargo Bank, San Francisco.

LISTED—On Pacific Stock Exchange.

PRICE RANGE—	1962	1961	1960	1959	1958
High	25½	31	32¾	40	45⅛
Low	9	23¾	21½	31½	30

LES MOTOR PRODUCTS, INC.

History: Incorporated in Ohio Feb. 18, 1955; business established in 1912.

In Apr. 1961 acquired Miami Parts & Spring Co.

In Oct. 1961 acquired Atlantic Warehouse Inc., West Palm Beach, Fla.

Business: Distributes at wholesale automotive replacement parts for suspension, exhaust, ignition, internal combustion, braking and cooling systems.

Property: Leases 145,000 sq. ft. warehouse in Cleveland, Columbus and Akron, O., and Miami, Fla.

Subsidiaries (wholly-owned): Lee Motor Products of Akron, Inc.; Miami Parts & Spring, Inc.; Lee Overseas Corp.; Atlantic Warehouse, Inc.

Directors: Joseph Kumin, Chmn., Vice-Pres. and Treas.; Ronald Kumin, Pres.; Milton Fallenberg, William Friedman, H. E. Edelman, Howard Stamer, Raymond Godfrey.

Other Officers: William Schmelling, Vice-Pres.; Ernest Kline, Sec.; Howard Stames, Asst. Sec. and Counsel.

Auditors: Soloway & von Rosen.

Annual Meeting: First Tuesday in May.

No. of Employees: May 16, 1961, 55.

Office: 12000 Shaker Blvd., Cleveland, O.

Consolidated Sales & Earnings, years ended Dec. 31 ($):

	Net Sales	Net Income	No. of A&B Shs.	Earn. A&B Sh.
1961	3,810,162	d 59,018	482,000	d 0.12
1960	2,671,684	153,883	482,000	0.32

Condensed Consolidated Balance Sheet, as of Dec. 31:

Assets:	1961	1960
Cash	$55,521	$99,249
Receivables, net	618,740	217,972
Tax claim	60,808	----
[1]Inventories	1,575,459	848,035
Prepayments	20,788	4,375
Total current	$2,231,400	$1,166,751
Net fixed assets	145,280	46,538
Other assets	45,369	11,450
Total	$3,422,049	$1,224,739
Liabilities:		
Notes payable	$608,454	$8,000
Accts. pay., etc.	664,896	134,741
Fed. income tax	12,323	127,691
Accruals	66,964	27,304
Total current	$1,377,625	$297,762
Notes payable	229,981	24,404
Cl. A stk. ($1)	182,000	182,000
Cl. B stk. ($1)	300,000	300,000
Paid-in surplus	224,469	224,469
Retained earnings	107,973	196,103
Total	$2,422,048	$1,224,738
Net current assets	$853,775	$868,988
Net tang. A&B sh.	$1.69	$1.83

[1]Lower cost or mkt.

Long Term Debt: Outstanding, Dec. 31, 1961, $310,936 notes payable. No other details available.

Capital Stock: L. Lee Motor Products, Inc., class A common, par $1. Authorized, 650,000 shs.; outstanding, 182,000 shs.

Class A and class B have one vote per sh., with right of cumulative voting for directors; rights of any class may not be changed without consent of majority in each class. No preemptive rights. Shares equally and ratably with class B in distributions on liquidation.

Entitled to cash divs; both classes participate in stock divs. in shares of respective classes.

Dividends: 1960 and 1961, 10½ cents.

Listed on American Stock Exchange.

Transfer Agent: Registrar & Transfer Co., Jersey City, N. J.

Registrar: Central National Bank, Cleveland.

Offered (167,000 shs.) at $3 a sh. (proceeds to company, $2.64 a sh.) on June 28, 1960 by Godfrey, Hamilton, Magnus & Co., Inc., New York, and associates. Proceeds to pay debts and finance expansion of warehouse facilities; for working capital.

Price Range: 1962, 5⅞-1¾; 1961, 9¾-4⅜.

Stock Options held by officers and key employees at Dec. 31, 1961 on 2,500 shares at $5.91 per share expire Oct. 6, 1968.

2. Lee Motor Products, Inc., class B common; par $1. Authorized, 350,000 shs.; outstanding, 300,000 shs. All owned by Joseph and Ronald Kumin.

Not entitled to cash divs. (see class A for stock divs.).

Convertible into class A, sh. for sh. at rate of 100,000 shs. beginning each Mar. 15, 1961-63. Other rights are similar to those of class A above.

LEE RUBBER & TIRE CORP.

History: Incorporated under a perpetual charter in New York, Dec. 15, 1915 to acquire all of the preferred and common stocks of Pennsylvania, June 16, 1911, and all of the capital stock of the latter's subsidiary, Lee Tire & Rubber Co. of New York, Inc. In July, 1924, Lee Tire & Rubber Co. (Pa.) was dissolved and merged with the parent.

By the payment of 61,837 shares of capital stock, acquired in June, 1923, The Republic Rubber Co., incorporated in Ohio on May 21, 1923. The latter acquired at Receivers' sale on June 7, 1923 the properties at Youngstown and Canton, O., of The Republic Rubber Corp. The latter was incorporated in New York on Oct. 6, 1917 to acquire the properties of (1) The Republic Rubber Co., which had been incorporated in Ohio on Feb. 28, 1901 as the Mahoning Rubber Mfg. Co. and changed its name Nov. 27, 1901 to The Republic Rubber Co., and (2) The Knight Tire & Rubber Co., which was in-

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...organized in 1911 and changed its name to the Consolidated Rubber Tire Co. in 1919. In 1925 Republic Rubber Co. (Ohio) was liquidated and its assets acquired by the parent.

Business: Manufactures tires and tubes sold for replacement purposes through over 19,000 distributors and dealers; also batteries and tread rubber. Company operates 44 factory branches in principal cities east of the Mississippi River and in Dallas, Los Angeles, Oakland, Phoenix and Portland.

Company also distributes tires in the Middlewest through the service stations of Phillips Petroleum Co., and on the West Coast through Signal Oil Co.

Manufactures mechanical rubber goods consisting chiefly of packing and conveyor belting, hoses of all kinds and accessories for the automobile industry, such as rubber flooring, rubber stripping, etc.

Property: The production is concentrated at the Conshohocken, Pa. plant which has 647,000 sq. ft. of floor space. This plant was originally built in 1911 and has subsequently had small additions. A minor operation at this location comprises the manufacture of rubber goods, such as kneeling pads, cushions, sink mats, bath mats, dishes, soap dishes, sponges, door mats, window wedges, tank balls, tubing, stopper, bath spray outfits, coasters, tire repair kits, tire cement, paint and rubber articles for medical and surgical purposes.

The mechanical rubber goods plant at Youngstown has a total floor area of 660,000 sq. ft. The early buildings were erected in 1909 with constant additions thereafter but the bulk, including the present main buildings, was erected in 1910 and 1911.

Officers: M. M. Clairmont, Chmn.; A. A. Garthwaite, Jr., Pres.; W. L. Heinrich, Exec. Vice-Pres. and Asst. Sec.; E. Barkett, J. D. Garrett, B. H. Lee, A. G. P. Segur, Vice-Pres.; R. V. Falconiero, Treas.; H. L. Schick, Sec.; R. McGuigan, Asst. Treas.

Directors: M. M. Clairmont, Chmn.; Herman Kahn, H. P. Edelman, J. D. Garrett, W. L. Heinrich, C. C. Hoffman, T. W. McMahon, Jr., E. J. Scheider, A. A. Garthwaite, Jr.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: Last Thursday in Feb.

No. of Stockholders: Oct. 31, 1961, 6,010.

No. of Employees: Oct. 31, 1961, 2,547.

General Offices: Conshohocken, Pa.

Income Account, years ended Oct. 31:

	1962	1961
Net sales	$45,592,010	$44,683,227
Other income	86,468	67,052
Total	45,678,478	44,750,339
Cost of sales	36,306,393	34,347,967
Selling, etc., exp.	9,543,629	9,266,201
Depreciation	844,401	832,723
Other deductions	19,851	1,215
Comp. insur. res.	-------	cr 250,000
Special charge	[1]172,000	-------
Fed. income tax	[2]cr 607,500	173,000
Net income	d 840,297	279,253
Prev. retain. earn.	15,528,521	15,754,097
Dividends	188,711	504,829
Retain. earn., 10-31	14,499,513	15,528,521
Earn., com. share	d $1.01	$0.33
No. of com. shares	834,900	838,800

[1]Prov. for anticipated losses on commit. and curtailment of certain oper. after related tax benefit. [2]Claim for refund applic. to carry-back 1962 oper. loss, less prov. for def. inc. taxes, of which approx. $155,000 was result of new deprec. guidelines.

Sales & Earnings, years to Oct. 31. (In $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1960	44,298,913	322,148	846,609	0.38
1959	32,164,181	1,521,479	836,239	1.78
1958	46,558,252	1,797,919	846,132	2.12
1957	48,601,038	1,762,581	843,512	2.09
1956	48,581,943	1,612,800	850,094	1.90
1955	45,912,226	1,750,071	851,168	2.06
1954	39,285,383	1,400,299	281,423	4.97
1953	46,502,361	1,674,128	278,398	6.01
1952	45,335,579	1,767,179	265,199	6.66
1951	50,402,606	2,185,638	253,584	8.62

Adjusted earns. & shs. for stk. splits & stk. divs.

Earnings: (?): 1954, 1.68; 1953, 2.00; 1952, 2.11; 1951, 2.71.

Shares: 1954, 841,275; 1953, 835,194; 1952, 835,377; 1951, 839,429.

Balance Sheet, as of Oct. 31:

Assets:	1962	1961
Cash	$1,233,912	$2,105,110
U. S. Gov. etc. sec.	2,019,800	1,670,975
Receivables, net	7,972,124	7,366,931
Tax claim	818,000	-------
[1]Inventories	8,309,365	10,053,103
Prepayments	353,061	452,947
Total current	$20,706,152	$21,671,156
Net property	9,011,572	8,720,239
Notes receivable	83,411	74,684
Total	$29,806,446	$30,466,099
Liabilities:		
Accts. pay., etc.	$2,098,753	$2,524,485
Accrued expenses	1,285,279	868,639
Antic. loss res.	172,000	-------
Income tax res.	-------	[2]-------
Total current	$3,556,023	$3,393,124
Comp. insur. res.	$1,039	107,467
Pens. & insur. res.	716,194	698,533
Def. Fed. tax res.	938,200	784,100
Cap. stock ($5)	4,741,825	4,739,325
Capital surplus	6,463,435	6,451,921
Retained earnings	14,499,513	15,528,521
Total	25,707,773	26,119,767
[3]Reacq. stock	1,312,802	1,214,214
Net stk. & surp.	24,394,971	25,005,553
Total	$29,806,446	$30,466,099
Net current assets	$17,050,449	$18,278,032
Net tang. per sh.	$20.22	$20.78

[1]Depr. & amort. $11,691,602 $11,081,664

[2]Lower cost or mkt., except fin. tires and tubes lifo. [3]Shs. at cost: 1962, 114,043; 1961, 109,063. [4]After deduct., $120,413 U. S. Govt. secur.

Capital Stock: 1. Lee Rubber & Tire Corp. capital stock: par $5:

AUTHORIZED—973,000 shares; outstanding, Oct. 31, 1962, 834,900 shares; in treasury, 114,043 shares; reserved for options 26,133 shares; par $5.

Par changed from no par to $5 July 7, 1937, share for share; shares split 3-for-1 Mar. 15, 1955.

DIVIDENDS—(calendar years)

1915	nil	1916	2.25	1917-19	nil
1920	1.50	1921-22	2.00	1923	1.50
1924-33	nil	1934	0.40	1935-36	0.50
1937	1.00	1938	2.50	1939	[1]2.50
1940-44	2.25	1945	2.50	1946	3.75
1947	[1]3.00	1948	3.50	1949	3.00
1950-51	5.00	1952	[1]3.50	1953	[2]4.00
1954	4.00	1955	0.75		

(After 3-for-1 split, Mar. 15, 1955)

1955	1.55	1956	1.80	1957	1.40
1958-60	1.20	1961	0.60	1962	0.22½

[1]Plus 5% in stock.

PREEMPTIVE RIGHTS—None, except as is given by the statutes of the State of New York.

LISTED—New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co. of New York.

REGISTRAR—Bankers Trust Co., New York.

OFFERED—At $50 per share in Dec., 1915 by Hornblower & Weeks and White, Weld & Co., New York.

PRICE RANGE—

	1962	1961	1960	1959	1958
High	21¾	21	24¼	30½	25⅜
Low	13½	14⅞	14⅜	21½	19⅛

Stock Options held by officers and key employees at Oct. 31, 1962 on 19,862 shares.

LESTOIL PRODUCTS, INC.

History: Incorporated in Delaware May 23, 1960; acquired on May 31, 1960 assets of Adell Chemical Co., Inc. and advertising affiliate, Jackson Associates, Inc.

Business: Company manufactures Lestoil, a heavy-duty liquid detergent, Lestare, a concentrated dry bleach, Sunny Starch and Great, an all purpose liquid cleaner.

Property: Company owns 150,000 sq. ft. plant in Holyoke, Mass.

Officers: John Bolten, Sr., Chmn.; D. E. Hogan, Jr., Pres.; C. J. McCarthy, Exec. Vice-Pres.; John Bolten, Jr., M. I. Stoltz, Vice-Pres.; G. M. Dean, Vice-Pres. and Treas.; S. S. Dennis, III, Vice-Pres. and Sec.

Directors: John Bolten, Sr., D. E. Hogan, Jr., John Bolten, Jr., S. S. Dennis, III, T. N. Danforth, Jr., R. E. Barrett, Jr., J. W. Bristol, W. L. Brown.

Auditors: Hitchcock & Co.

General Counsel: Hale and Dorr.

No. of Stockholders: Dec. 31, 1962: Preferred, 1,856; common, 2,373.

No. of Employees: Dec. 31, 1962, 187.

Office: Holyoke, Mass.

Consolidated Income Account, years ended Dec. 31:

	1962	1961
Net sales	$13,293,147	$17,388,972
Cost & expenses	13,328,416	14,686,901
Operating profit	d 33,269	2,702,071
Other income, net	1,490	70,904
Total income	d 31,782	2,772,975
Interest	180,410	192,071
Extraord. chgs., net	[1]244,709	-------
Income taxes	cr 4,244	1,418,039
Net profit	d 452,660	1,162,865
Prev. retain. earn.	1,597,143	675,914
Cl. A dividends	232,240	241,636
Retain. earn., 12-31	912,243	1,597,143
Earn., cl. A share	Nil	$4.23
Earn., com. share	d $0.32	0.43
No. of cl. A shs.	256,674	264,750
No. of com. shs.	2,133,452	2,123,240

[1]Comprising: Prov. for losses sale or disp. mach. & equip., $410,738; clim. goodwill of domestic sub., $20,000; invent. adj. of Mexican sub., $27,967; total, $168,705; less Fed. inc. tax, $224,000; balance, $244,705.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1962	1961
Cash	$953,927	$1,341,983
Receivables, net	487,848	1,439,763
Tax claim	340,250	-------
[1]Inventories	1,318,775	1,522,971
Prepayments	39,765	41,379
Total current	$3,140,563	$4,346,096
[2]Net property	3,458,833	4,428,723
Goodwill, etc.	2,357,129	2,377,129
Other assets	106,768	113,702
Total	$9,063,228	$11,275,656
Liabilities:		
Accounts payable	$478,584	$738,133
Notes payable	300,000	328,000
Divs. payable	57,753	-------
Accruals	113,099	63,524
Fed. & state tax	128,561	1,156,717
Total current	$1,077,953	$2,284,693
Notes payable	2,300,000	2,600,000
$0.50 cl. A stock	3,340,236	3,445,763
Com. stk. ($0.50)	1,073,726	1,065,620
Capital surplus	[3]415,356	317,973
Retained earnings	912,243	1,597,143
Total	3,741,531	6,426,481
[4]Reacq. stock	58,306	35,518
Net stk. & surp.	5,083,275	6,390,963
Total	$9,063,228	$11,275,656
Net current assets	$2,062,553	$2,061,403
Net tang. com. sh.	Nil	$1.23

[1]Lower aver. cost or mkt. [2]After cred. $97,283 conv. cl. A shs. [3]9,000 (1961, 6,000) com. shs. at cost.

Term Loans Outstanding, Dec. 31, 1962, $2,300,000 6½% notes payable $300,000 annually to July 1, 1969 and $500,000, July 1, 1970. Ten-year warrants attached to notes provide for purchase of 339,200 common shares at $7.50 a share, payable in cash or on surrender of equal amount of notes. Proceeds to reduce debt incurred in acquisition of predecessor companies. Company agrees to maintain working capital of at least $1,500,000 and not pay dividends on common which would reduce working capital below that amount.

Long Term Debt: 1. Lestoil Products, Inc. subordinated debenture 6½s, due 1973:

Authorized, $2,566,740; to be outstanding, not exceeding $2,566,740. See Exchange Offer, below.

Due Mar. 1, 1973; interest paid quarterly, Mar. 1, etc. Fully registered, $10 and multiples. Old Colony Trust Co., Boston, trustee.

Callable as a whole or in part on at least 30 days' notice on and after Sept. 1, 1963 at 110 to Mar. 1, 1964; reduced 2% per year thereafter to par after Mar. 1, 1968.

Not secured; subordinated to all senior debt. Company may not pay cash dividends unless all debenture interest has been paid and no event of default exists.

Purpose: Issued in exchange for outstanding 256,674 class A shares on basis of $10 debenture and one common share for each class A share.

Capital Stock: 1. Lestoil Products, Inc. class A stock; no par:

AUTHORIZED—275,000 shares; outstanding, 256,674 shares; no par.

PREFERENCES—Has preference for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of 90 cents a share annually, payable quarterly, Jan. 1, etc.

DIVIDENDS—Initial dividend of 9½% cents paid Oct. 1, 1960; regular payments since.

DIVIDEND RESTRICTION—See term loan.

VOTING RIGHTS—Has one vote per share. Consent of 66⅔% of class A required to increase authorized class A stock; change terms adversely; issue equal or prior stock.

LIQUIDATION RIGHTS—In liquidation, entitled to $15 a share and dividends.

CALLABLE—As a whole or in part at any time on or after Jan. 1, 1962 at $15 a share and dividends.

CONVERTIBLE—Into common at any time on basis of two common for each class A share. Conversion privilege protected against dilution.

PREEMPTIVE RIGHTS—None.

OFFERED—275,000 units, each unit consisting of one class A share and one common share at $15 per unit (proceeds to company, $13.80 per unit) on Aug. 18, 1960, by Paine, Webber, Jackson & Curtis, Boston; Alex Brown & Sons, Baltimore, and associates.

PRICE RANGE—(class A)—1962, 17-7; 1961, 16¾-12½.

Exchange Offers In early 1963 company offered $2,566,740 6½% subordinated debentures, due Mar. 1, 1973, and 256,674 common shares in exchange for outstanding 256,674 class A shares on basis of $10 debentures and one common share for each class A share. Offer, conditioned on acceptance by holders of 90% of class A (as extended) became effective Apr. 25, 1963. All shares tendered were accepted. Offer was to remain open for reasonable period to permit acceptance by other holders, including California holders who could not accept offer until cleared by that state's Corporation Commission.

Contingent upon acceptance of above offer by 90% of class A, outstanding warrants held by certain institutional investors entitling them to purchase 339,200 authorized but unissued common shares from company at $7.50 a share, were to be surrendered for cancellation and replaced by options to purchase a like number of outstanding shares from principal stockholders of company at $3.50 a share.

2. Lestoil Products, Inc., common; par 50 cents:

AUTHORIZED—3,000,000 shares; outstanding, 2,138,452 shares; in treasury, 9,000 shares; par 50 cents.

Officers and directors own 1,835,800 shares (87%).

Lee 1964981A

Accruals, etc.	2,769,814	2,037,474
Income tax, res.	1,530,841	1,063,121
Total current	$3,835,903	$7,137,733
Notes pay., etc.	13,104,531	11,743,787
Other liabil.	[E]1,534,728	
Def. Fed. inc. tax	450,000	
5% A pfd. stk. ($50)	3,246,300	[2]2,613,300
5½% C pfd. ($50)		[2] 628,700
[5]$2.75 D pfd.	3,780,750	
Common stk. ($2)	3,194,028	3,181,920
Capital surplus	10,132,307	10,810,418
Retained earnings	16,522,355	14,492,163
Total	$57,224,240	$31,541,501
[1]Reacq. stock	2,461,585	1,045,648
Net stk. & surp.	54,862,675	30,495,853
Total	$58,883,137	$49,397,393
Net current assets	$25,822,857	$26,839,750
Net tang. com. eq.	$19.50	$18.13
[1]Depreciation	$18,230,307	$13,958,677

[E]Cost (lifo) not over mkt. [2]Shs. at cost: Pfd., 1,246; com.: 1963, 164,995; 1962, 69,061. [4]Unamort. excess of carrying amount of net assets of Schield Bantam Div. over cost. [5]75,615 no par shs.

Term Loans: Outstanding, Nov. 30, 1963, $10,631,000 (excl. current payments) evidence by (1) 4¼% notes payable $250,000 annually plus 25% of consolidated net income in excess of $500,000 but not over $100,000 in any year and (2) 5½% notes payable $383,000 annually to 1965, $518,000 in 1966 and $734,000 annually thereafter (3) 5¾% notes payable $140,000 annualy to 1972.

Company is required to maintain consolidated net working capital of $22,000,000.

Company may not pay dividends on or acquire any stock in excess of 70% of consolidated net earnings after Nov. 30, 1959 plus $1,500,000. Under the most restrictive provisions $2,599,986 of retained earnings at Nov. 30, 1963 were not restricted as to dividends.

Note: Long term debt at Nov. 30, 1963 also included $2,473,851 account payable to Koehring Finance Corp.

Subsidiary Loan: In Feb., 1962, Koehring Finance Corp. arranged a $1,250,000 15-year subordinated loan from Northwestern Mutual Life Insurance Co. payable $125,000 annually beginning in 1968.

Capital Stock: 1. Koehring Co. 5¾% cumulative convertible preferred, Series A; par $50: AUTHORIZED—All series, 100,000 shares; outstanding, Nov. 30, 1963, series A, 52,020 shares; par $50.

PREFERENCES—Has equal preference with series C for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $2.50 per share annually, payable quarterly Jan. 1, etc.

DIVIDENDS—Initial dividend of 62½ cents paid Oct. 1, 1956; regular quarterly dividends paid thereafter.

DIVIDEND RESTRICTION—See term loans, also under voting rights below.

VOTING RIGHTS—Has 3 votes per share. Consent of 66 2/3% of convertible preferred required to issue prior or equal stock; liquidate, merge or sell all assets other than by mortgage unless all preferred is redeemed, except as provided; pay dividends on common except from unreserved and unrestricted earned surplus; change terms adversely.

LIQUIDATION RIGHTS—In liquidation, entitled to $50 per share if involuntary and call price if voluntary; plus dividends.

PREEMPTIVE RIGHTS—None.

CALLABLE—As a whole or in part at any time on at least 30 days' notice at $50 per share plus dividends.

CONVERTIBLE—Into common at $25.46 per share; with no adjustment for dividends; scrip or cash paid in lieu of fractional shares. Conversion privilege protected against dilution.

PURPOSE—Issued (33,312 shares) in June, 1956 at rate of 1/3 share of preferred and 1/6 share of $3 par common of Koehring for each share of $5 par common of Hydraulic Press Mfg. Co.

PRICE RANGE—	1963	1962	1961
High	47½	42	34⅛
Low	45	38	34

2. Koehring Co. 5½% cumulative convertible preferred, series C; par $50: AUTHORIZED—All series, 100,000 shares; outstanding, Nov. 30, 1963, series C, 11,570 shares; par $50.

PREFERENCES—Has equal preference with series A for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $2.75 per share annually, payable quarterly, Jan. 1, etc.

DIVIDENDS—Initial dividend paid June 30, 1959; regularly thereafter.

CONVERTIBLE—Same as series A above.

OTHER PROVISIONS — Same as series A above, except dividend payments.

PURPOSE—Issued (12,574 shares) in Feb. 1959 with 59,068 common shares for acquisition of Cast Master, Inc.

3. Koehring Co. $2.75 cumulative convertible preferred, series D; no par: AUTHORIZED—All series, 250,000 shares; outstanding, series D, Nov. 30, 1963, 75,615 shares; reserved for options, 3,807 shares; no par.

PREFERENCES—Has equal preference with other series for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $2.75 a share annually, payable quarterly Jan. 1, etc.

DIVIDEND RECORD—Initial dividend of $1.15 paid Dec. 31, 1963. Regular dividends paid quarterly thereafter.

VOTING RIGHTS—Has one vote per share. Consent of 66⅔% of no par convertible preferred required to (1) create prior or equal stock; (2) merge or liquidate without preferred being redeemed; (3) pay dividends on common when preferred is in default; (4) or alter terms adversely.

LIQUIDATION RIGHTS—In any liquidation, entitled to $50 a share, plus dividends.

CALLABLE—On and after July 31, 1968, as a whole or in part on at least 30 days' notice, at $50 a share plus dividends.

CONVERTIBLE—Into common at any time (if called, on or before 5th day preceding redemption date) at $20 a share; no adjustment for dividends; scrip or cash paid in lieu of fractional shares. Conversion privilege protected against dilution.

PREEMPTIVE RIGHTS—None.

PURPOSE—(75,634 shares) issued in exchange for entire common stock of Schield Bantam Co., at rate of 0.13 preferred for each common share.

Note: There is also an authorized issue of 170,499 no par preferred shares; none outstanding.

4. Koehring Co. common; par $2: AUTHORIZED—2,500,000 shares; outstanding, Nov. 30, 1963, 1,431,019 shares; in treasury, 164,995 shares; reserved for options, 13,611 shares, for conversion of preferred, 305,207 shares; par $2.

Note: About 365,000 additional shares issued on merger of Thew Shovel Co. Feb. 7, 1964.

Par changed from no par to $5 in Jan. 1946 by 4-for-1 split; from $5 to $2 Nov. 30, 1956 by 3-for-1 split.

VOTING RIGHTS—Has one vote per share.

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—(Calendar years):

On no par shares:					
1941	$1.00	1942	$3.00	1943	$2.50
1944-45	3.00				
On $5 par shares:					
1946	1.00	1947	1.12½	1948-49	1.50
1950-51	2.00	[1]1952-56	2.20		
On $2 par shares:					
1957	1.00	1958	0.55	1959	0.50
1960	0.60	1961	0.30	1962	0.40
1963	0.85	[2]1964	0.25		

[1]Also paid 10% stock dividend in 1952; and 2% in 1956.

[2]To Mar. 1.

OFFERED—(50,000 shares) at $28.875 per share on Nov. 12, 1953 by Loewi & Co., Milwaukee, and associates.

In 1956, 44,267 $5 par shares (before split) were issued in merger of Hydraulic Press Mfg. Co., and 69,363 $2 par shares in acquisition of Buffalo-Springfield Roller Co.

(200,000 shares) of $2 par common at $22.75 per share on Jan. 24, 1957 by Loewi & Co., Inc., Milwaukee, and associates.

PRICE RANGE—	1963	1962	1961	1960	1959
High	21⅛	14	13½	16	19½
Low	13⅛	9⅛	8⅛	8½	13¼

Transfer and Dividend Disbursing Agent: First Wisconsin Trust Co., Milwaukee.

Registrar: Marshall & Ilsley Bank, Milwaukee.

Stock Options held by employees at Nov. 30, 1963 on 13,611 common shares at prices from $3.75 to $22.37 a share.

Also options on 3,094 series D preferred shares at Nov. 30, 1963 at prices from $38.17 to $49.29 a share.

LEE NATIONAL CORP.

History: Incorporated under a perpetual charter in New York, Dec. 15, 1915 as Lee Rubber & Tire Corp. to acquire all of the preferred and common stocks of company of same name incorporated in Pennsylvania, June 16, 1911, and all of the capital stock of the latter's subsidiary, Lee Tire & Rubber Co. of New York, Inc. In July, 1924, Lee Tire and Rubber Co. (Pa.) was dissolved and merged with the parent. Present name adopted Feb. 20, 1964.

By the payment of 64,837 shares of capital stock, acquired in June, 1923, The Republic Rubber Co., incorporated in Ohio on May 21, 1923. The latter acquired at Receivers' sale on June 7, 1923 the properties at Youngstown and Canton, O., of The Republic Rubber Corp. The latter was incorporated in New York on Oct. 6, 1917 to acquire the properties of (1) The Republic Rubber Co., which had been incorporated in Ohio on Feb. 28, 1901 as the Mahoning Rubber Mfg. Co. and changed its name Nov. 27, 1901 to The Republic Rubber Co., and (2) The Knight Tire & Rubber Co., which was incorporated in 1911 and changed its name to the Canton-Blackstone Co. in 1919.

In 1936 Republic Rubber Co. (Ohio) was liquidated and its assets acquired by the parent, which were sold in 1963.

Business: Manufactures tires and tubes sold for replacement purposes through over 19,000 distributors and dealers; also butteries and tread rubber. Company operates 25 factory branches in principal cities east of the Mississippi River and in Dallas.

Property: The production is concentrated at the Conshohocken, Pa. plant which has 637,539 sq. ft. of floor space. This plant was originally built in 1911 and has subsequently had small additions.

The mechanical rubber goods plant in Youngstown was sold Dec. 20, 1962.

Subsidiary: Lee Tire Centers, Inc. (wholly owned) was formed in March 1963 to operate company's branch tire distribution system.

Officers: M. M. Clairmont, Chmn.; A. A. Garthwaite, Jr., Pres.; W. L. Heinrich, Exec. Vice-Pres. and Treas.; E. Barkett, J. D. Garrett, A. G. P. Segur, Vice-Pres.; H. L. Schick, Sec.; C. F. Landgraf, Controller.

Directors: M. M. Clairmont, Chmn.; H. P. Edelman, J. D. Garrett, W. L. Heinrich, C. C. Hoffman, T. W. McMahon, Jr., E. J. Schieber, H. L. Schick, R. D. Spills.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: Third Thursday in Feb.

No. of Stockholders: Jan. 7, 1964, 2,500.

No. of Employees: Oct. 31, 1963, 2,221.

General Office: Conshohocken, Pa.

Income Account, years ended Oct. 31:

	[4]1963	1962
Net sales	$25,813,215	$45,5[illegible]
Other income	242,537	[illegible]
Total	26,055,752	[illegible]
Cost of sales	21,720,705	[illegible]
Selling, etc., exp.	6,015,196	[illegible]
Depreciation	962,789	[illegible]
Other deductions	1,034	[illegible]
Special credit	[3]1,626,234	[illegible]
[1]Special charge	211,600	
[2]Fed. income tax	cr 147,602	[illegible]
Net loss	1,079,736	[illegible]
Prev. retain. earn.	14,499,513	[illegible]
Dividends		[illegible]
Def. inc. tax adj.	150,096	
Retain. earn., 10-31	13,269,777	[illegible]
Earn., com. share	d $1.37	[illegible]
No. of com. shares	785,700	[illegible]

[1]Prov. for anticipated losses on closing and curtailment of certain oper., less, in 1962, related tax benefit. [2]Claim for refund applied to carry-back of oper. loss, less prov. for def. inc. taxes. [3]Resulting from involuntary liquid. of tire inventory due to continuation of strike at Conshohocken tire plt. [4]Consol.

Sales & Earnings, years to Oct. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1961	44,683,337	272,253	834,830	0.33
1960	44,298,913	322,145	846,609	0.38
1959	52,164,161	1,521,479	856,239	1.78
1958	46,558,853	1,797,919	846,132	2.12
1957	48,601,093	1,762,581	843,512	2.09
1956	46,541,543	1,612,800	830,094	1.94
1955	43,912,226	1,750,071	851,166	2.06
1954	39,345,282	1,400,295	281,425	4.91
1953	46,302,361	1,674,123	278,398	6.01
1952	45,325,579	1,767,179	265,190	6.66

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1954, 1.66; 1953, 2.00; 1952, 2.11; 1951, 2.61.

Shares: 1954, 844,275; 1953, 835,194; 1952, 831,877; 1951, 838,729.

Balance Sheet, as of Oct. 31:

Assets:	[4]1963	1962
Cash	$1,676,093	$1,221,913
Certif. of depos.	10,645,186	2,018,559
Receivables, net	1,730,712	7,972,221
Tax claim	270,602	818,000
[1]Inventories	2,976,528	9,309,345
Prepayments	165,805	351,068
Total current	$17,464,926	$29,709,466
[2]Net property	8,463,553	9,011,572
Notes receivable	42,669	34,413
Total	$25,976,148	$29,504,446
Liabilities:		
Accts. pay., etc.	$710,702	$2,099,732
Accrued expenses	575,478	1,355,219
Antic. loss res.	235,000	172,000
Prov. prod. guar. adj.	234,700	
Total current	$1,755,880	$3,626,951
Comp. insur. res.	65,503	61,628
Pens. & insur. res.	621,428	718,134
Def. Fed. tax res.	1,231,209	953,378
Cap. stock ($5)	4,749,325	4,744,825
Capital surplus	6,472,363	6,463,435
Retained earnings	13,269,777	14,499,513
Total	24,491,485	25,707,773
[1]Reacq. stock	2,159,628	1,312,502
Net stk. & surp.	22,331,537	24,394,991
Total	$25,976,148	$29,504,446
Net current assets	$15,709,046	$25,882,515
Net tang. per sh.	$25.99	$22.22
[1]Depr. & amort.	$11,763,938	$11,631,862

[1]Lower cost or mkt., except fin. tires and tubes lifo. [2]184,163 (1962, 114,663) shs. at cost. [4]Consol.

Capital Stock: 1. Lee National Corp. capital stock; par $5: AUTHORIZED—925,000 shares; outstanding, Oct. 31, 1963, 785,700 shares; in treasury, 184,163 shares; reserved for options 26,130 shares; par $5.

Par changed from no par to $5 July 7, 1932. share for share; shares split 3-for-1 Mar. 15, 1955.

DIVIDENDS (Calendar years)
1918 ... Nil
1919 ... 1 22
1920 ... 2 50
1921 ... 0 40
1922-33 ... Nil
1934 ... 1 60
1935-47 ... 2 50
1948 ... 3 50
1949 ... 3 75
1950 ... 3 00
1951 ... 3 50
1952 ... 3 75
1953 ... [1]4.00
(After 5-for-1 split, Mar. 15, 1955)
1954 ... 1 10
1955 ... 1 40
1956 ... 0 60
1957 ... 1 40
1958 ... 0 60
1959 ... 0 80
1960 ... 0 80
1961 ... 0 80
1962 ... 0 22½
1963 ... 0 90

Fiscal year ends Dec. 31.

PREEMPTIVE RIGHTS—None, except as is required by the statutes of the State of New York.

LISTED—New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Manufacturers Guaranty Trust Co. of New York.

REGISTRAR—Bankers Trust Co., New York.

DIVIDEND—At $.6 per share in Dec., 1915 by Winslow & Weeks and White, Weld & Co., New York.

PRICE RANGE—

	1963	1962	1961	1960	1959
High	24	21½	21	24½	30⅛
Low	13⅝	13½	14⅞	14½	21⅝

Stock Options held by officers and key employees at Oct. 31, 1963 on 44,925 shares at prices ranging from $16.56 to $20.48 a share.

LILY-TULIP CUP CORP.

History: Incorporated in Delaware Feb. 4, 1929 and acquired as of Jan. 1, 1929, the business, goodwill and assets and assumed the liabilities of Tulip Cup Corp. (Del.) and Public Service Cup Co. (N. Y.).

On Nov. 1, 1944 acquired entire stock of Universal Paper Products Co., Ill., in exchange for 24,000 shares of common stock.

On Dec. 12, 1957, merged L. T. Plastic Packers, Inc. (Del.), a subsidiary.

Business: Makers of paper hot and cold beverage cups, dishes and food containers. Also makes molded plastic cup lids and pulp plates and trays. Cups are made in sizes from 2 oz. to 32 oz.; containers from 2½ ozs. to 10 lbs. capacity.

Properties: Owned and leased plants as follows: Commack, L. I., N. Y., Riverside, Cal., Springfield, Mo., Augusta, Ga., and Lily Cups, Ltd. (wholly-owned), Scarborough, Ont., Bush Terminal, Brooklyn, N. Y. Leased warehouses and plastics plant at Galva, Ill.

Company has 975,000 sq. ft. plant in Holmdel Twp., N. J. to replace College Point Plant and Bronx warehouse.

Subsidiaries: Lily Cups Ltd. (Canada), with plant at Scarboro, Ont., Commack Equipment, Co., Inc. (Del.), Old Town Pulp Products Inc. (Me.) are wholly-owned. Red River Paper Mill, Inc., 75% owned produces bleached paperboard at Springhill, La. Company and International Paper Co. which has remaining interest share output based on ownership.

Officers: W. J. Bergman, Chmn. and Chief Exec. Officer; F. N. Hartmann, Pres. and Chief Operating Officer; R. H. McKenna, Vice-Pres. and Chmn., Executive Committee; H. R. Kobrick, Vice-Pres. (Planning); S. W. Amberg, Vice-Pres. (Research and Development); H. L. Carroll, Vice-Pres. (Mfg.); F. K. Dascher, Vice-Pres. (Marketing); D. Mack, Vice-Pres. (Empl. rel.); C. W. Gray-Lewis, Treas.; H. L. Fleischman, Sec.; Werner Muthmann, Asst. Sec. and Asst. Treas.; S. R. Price, Comp.

Directors: W. J. Bergman, Harry Kuhn, G. A. Sanczen, C. F. Puckhafer, C. W. Gray-Lewis, W. E. Dennis, A. S. Bowes, H. L. Carroll, F. K. Dascher, R. H. McKenna, F. N. Hartmann, Emil Mosbacher, Jr., King Wilkin.

Purchasing Agent: Donald Battey.

Auditors: S. D. Leidesdorf & Co.

Annual Meeting: Last business day in April.

No. of Stockholders: Dec. 31, 1963, 5,500.

No. of Employees: Dec. 31, 1963, 5,600.

Office: 122 East 42nd St., New York 17.

Consolidated Income Account, years ended Dec. 31:

	1963	1962
Net sales	$96,813,929	$96,314,043
Cost of sales	71,934,994	68,920,969
Selling, etc., exp.	14,469,573	13,939,781
Operating profit	10,409,362	13,453,293
Non deduct., net	501,330	625,923
Income taxes	4,795,000	6,655,000
Net profit	5,113,032	6,192,370
Earn. surplus, 1-1	38,722,817	35,730,873
Common divs.	3,200,169	3,199,944
D-bit	218,300	288,000
Prem. on stock sold, net	cr 142,652	cr 288,518
Earn. surp., 12-31	40,561,032	38,723,817
Earn. per com. share	$1.60	$1.94
Cash flow, com. sh.	$2.39	$2.33
No. of com. shares	3,200,174	3,200,154

After deduct. $7,423,245 (1962, $7,738,796) depr., depl. and amort. [2]Including $7,423,245 (1962, $7,738,796) depr., depl. and amort. [3]Including $218,300 (1962, $288,000) net loss in net profit. [4]Undistr. assoc. earn. [5]After $5,524,680 (1962, $4,-[illegible]) depr. & amort.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Profit	No. of Shares	Earn. on Com.
1934	22,329,216	5,967,323	3,199,284	1.97
1935	30,736,422	6,203,059	3,199,067	2.00
1936	39,475,513	8,012,191	3,198,837	2.07
1937	42,019,371	6,012,848	1,599,302	[1]3.75
1938	28,279,866	3,586,541	1,599,268	[1]4.12
1939	31,921,445	6,176,890	1,577,440	[1]3.87
1940	43,078,732	5,339,732	1,563,278	[1]3.39
1941	57,436,171	4,674,907	771,771	0.6.05
1942	54,636,429	3,077,865	449,005	6.85
1943	46,770,515	2,676,695	448,140	5.98

[1]On average number of shares outstanding: 1938, $3.78; 1937, $1.12; 1936, $3.84; 1935, $3.60; 1934, $6.16; 1951, $7.39.

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1938, 1.68; 1937, 2.06; 1936, 1.91; 1935, 1.70; 1934, 1.84; 1933, 1.16; 1932, 0.99; 1931, 1.12.

Shares: 1939, 3,198,604; 1937, 3,180,772; 1936, 3,-151,880; 1935, 3,126,556; 1934, 3,067,950; 1933, 2,-601,600; 1932, 2,602,440; 1931, 2,602,275

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$4,261,963	$3,693,242
Receivables, net	6,008,917	5,245,167
[2]Inventories	20,936,155	24,156,271
Total current	$31,837,323	$33,094,760
[3]Net property	39,263,266	40,618,725
Construction	421,978	1,357,179
Invest. assoc. co.	2,309,963	2,609,063
Purch. money mtgs.	2,163,000	
Other assets	606,141	619,854
Patents, etc.	1	1
Deferred charges	2,209,536	2,276,099
Total	$82,408,308	$82,665,192
Liabilities:		
Accounts payable	$3,489,714	$6,807,348
Notes payable	3,000,000	7,200,000
Debt due	420,000	420,000
Income taxes	2,464,973	973,175
Total current	$11,374,687	$15,400,523
Notes payable	10,440,000	10,860,000
Def. inv. tax cred.	656,910	423,795
Deferred credits	1,929,598	
Common stk. ($5)	16,000,970	16,000,770
Capital surplus	797,201	796,487
Earned surplus	40,561,032	38,723,817
Equity assoc. earn.	679,100	459,800
Total	$82,408,308	$82,665,192
Net current assets	$23,462,636	$20,104,177
Net tang. com. sh.	$18.14	$17.49

[3]Depr. & amort. $23,812,986 $23,751,599

[2]Lower aver. cost or mkt.

Term Loan: Outstanding, Dec. 31, 1963, $10,-440,000 evidenced by $3,360,000 3¼% notes payable $175,000 semi-annually Feb. 1, 1958 to Aug. 1, 1961 and $210,000 thereafter to Aug. 1, 1971, incl.; and by $7,500,000 4⅜% notes payable $470,000 annually Jan. 1, 1967 to Jan. 1, 1981 and $450,000 thereafter to Jan. 1, 1982, incl.

Company agrees not to pay any cash dividends or purchase any stock if such payments would exceed 75% of consolidated net income after Jan. 1, 1951 plus $1,750,000 or if consolidated net current assets would be less than $7,000,000. At Dec. 31, 1963, $11,400,000 of earned surplus was not so restricted.

Of proceeds, $3,000,000 used to retire preferred stock and $2,400,000 to retire outstanding notes; balance added to working capital.

Notes Payable: The $3,000,000 outstanding at Dec. 31, 1963, was owing pursuant to a Credit Agreement which was terminated by the Company on Jan. 27, 1964, at which time indebtedness was converted into conventional 90-day borrowings.

Capital Stock: L. Lily-Tulip Cup Corp. common; par $5:

AUTHORIZED—5,000,000 shares; outstanding, Dec. 31, 1963, 3,200,174 shares; reserved for options, 118,170 shares; par $5.

Par changed from no par to $10 Apr. 29, 1955, by 2-for-1 split; changed from $10 to $5 May 1, 1959, by 2-for-1 split.

VOTING RIGHTS—Has one vote per share.

PREEMPTIVE RIGHTS — Has preemptive rights.

DIVIDEND RESTRICTIONS—See loan, above.

DIVIDENDS—

On no par shares:

1929	$0.37½	1930-33	$1.50	1938	$1.75
1937	1.50	1938	1.42½	1939-40	1.20
1941-47	1.50	1948	1.62½	1949	2.00
[1]1950	2.07½	1951	2.37½	1952-53	2.50
[1]1954	2.40	1955	0.60		

On $10 par shares after 2-for-1 split:

1955	1.20	1956	1.80	1957-58	1.80
1959	0.45				

On $5 par shares:

1959	0.75	1960-63	1.00	[1]1964	0.25

[1]Also stock dividends: 1950, 75% (95 cents cash paid after stock dividend) 1954, 50% (prior to cash payment).

[2]To Mar. 16.

Dividends payable quarterly, Mar. 15, etc., to stock of record about Mar. 1, etc.

TRANSFER AGENT—Chase Manhattan Bank, New York.

REGISTRAR—Bankers Trust Co., New York.

DIVIDEND DISBURSING AGENT — Chase Manhattan Bank, New York.

LISTED—On New York Stock Exchange.

PRICE RANGE—	1963	1962	1961	1960	[1]1959
High	47⅛	45⅛	59½	61	63½
Low	33¼	31½	40½	46¼	48

[1]After stock split: before, 108-95¾.

Stock Options held by officers and key employees at Dec. 31, 1963 on 149,734 shares at prices from $30.03 to $58.50 per share expire Sept. 30, 1967.

LING-TEMCO-VOUGHT, INC.

History: Incorporated in California Nov. 4, 1955 as L. M. Electronics, Inc.; name changed to Ling Electronics, Inc., May 11, 1956. Reincorporated in Delaware, Nov. 20, 1958, by merger into wholly-owned subsidiary of same name; name changed to Ling-Altec Electronics, Inc., June 1, 1959; to Ling-Temco Electronics, Inc. in July, 1960; present name adopted Aug. 16, 1961.

In 1957, acquired Grady-Ling Electric, Inc. (sold in 1960). In 1958, merged Ling Industries, Inc. and subsidiaries, and American Microwave Corp. and Electronic Wire & Cable Co., subsidiaries (sold in 1959), and acquired entire capital stock of United Electronics Co. for $750,000 cash and 65,000 common shares. Later dissolved in Aug., 1958. On Aug. 1, 1958, acquired Caldyne Co., Inc., for $150,000 cash, $170,000 5¾% 6 months notes and $922,500 convertible debentures due 1970.

In Mar., 1959 company acquired entire stock of Altec Companies, Inc. by share for share exchange.

In May, 1959 acquired University Loudspeakers, Inc., White Plains, N. Y., for $2,300,000 including $1,650,000 cash.

In Sept., 1959 acquired Continental Electronics Manufacturing Co., Dallas, for $3,-250,000 cash, $125,000 5% notes and 10,000 common shares.

In July, 1960 acquired assets of Temco Aircraft Corp. by exchange of 0.48 common share and 0.12 4½% preferred share for each Temco share.

In Jan., 1961 merged Fenske, Fedrick & Miller, Inc., with Temco Electronics & Missiles Co., a subsidiary, and acquired Ed Friedrich, Inc. and Friedrich Refrigerators, Inc., manufacturers of air conditioning and refrigerating equipment.

In Feb., 1961 acquired National Aeronautics & Space Engineering, Inc., Los Angeles, missile base engineering firm, later merged into Temco.

On Aug. 16, 1961, acquired assets of Chance Vought Corp. by exchange of Chance Vought stock for Ling-Temco debentures and warrants at rate of one share of Chance Vought for $43.50 convertible debenture 5½s and 5-year warrant for 1/5th share of Ling-Temco at $30 a share and 5-year warrant for 1/5th additional share at $40 per share.

In Nov., 1961, sold investment in National Data Processing Corp., a former subsidiary of Chance Vought. In Mar., 1962, sold investment in Vought Industries, Inc., a former subsidiary of Chance Vought. In Apr., 1962 sold 324,815 shares of 1,266,000 shares of Information Systems, Inc., another former Chance Vought subsidiary, in rights offering to stockholders.

In Jan., 1962, acquired all stock of Kentron Hawaii, Ltd., Honolulu, Hawaii, primarily engaged in missile and space test range operations in the Pacific.

In July, 1962, sold substantially all of the assets of Crusader Finance Co., another former subsidiary of Chance Vought. In Jan., 1963, sold capital stock of United Electronics Co. In Feb., 1963, sold assets of LTV Industrial Division. In Apr., 1963, Information Systems, Inc., subsidiary, was merged with Scam Instrument Corp., an affiliate and capital stock of Harbor Boat Building Co., a former subsidiary of Chance Vought, was sold.

In Aug. 1963 acquired Gonset, Inc. Anaheim, Calif., manufacturer of mobile communication systems.

In Mar. 1964 sold Ed Friedrich, Inc. and Friedrich Refrigerators, Inc., subsidiaries to American Investors Corp., for payment of $3,-000,000 cash, 1,000,000 American com. shs. to represent consideration of $1,000,000, a $2,000,-000 6% subord. promissory note due in one year and secured by chattel mtge. covering all Friedrich machinery, and a non-interest bearing note payable in 60 days representing balance of total purchase price which was to be amount equal to stockholders' equity of Friedrich at Dec. 13, 1963. Such equity estimated at $6,000,000.

Business: Company and subsidiaries are engaged in research, development and production of space vehicles; aircraft; missiles; surface vehicles; special purpose airborne electronic systems; radio, radar, sonar, and television communications equipment; aircraft, missile and space guidance systems; automatic control devices for aircraft and rockets; aerospace ground support equipment; complete sound systems and componets, loudspeakers, microphones, tuners and amplifiers; vibration and acoustic environmental test equipment. Also provide service to aerospace industry as manufacturing subcontractor, and to government and commercial customers for modification and overhaul of aircraft, missiles, and ships; test range operations; electronic systems maintenance.

Property: Company and subsidiaries operate facilities with about 6,233,100 sq. ft. of floor space in Dallas, Garland, Greenville, and Arlington, Tex.; Anaheim and Los Angeles, Calif.; Hudson, N. Y.; Winchester, Mass.; Honolulu, Hawaii; Oklahoma City, Okla.; Warren, Mich. Also maintains facilities in New York City and offices in Washington, D. C., Hunts-

Mohawk 1960 1983

DIVIDEND RESTRICTION—See term loan ...

EARNINGS—

On $5 par shares:

[illegible]	[illegible]	[illegible]	$1.25	1927-28	$2.00
[illegible]	[illegible]	[illegible]	1.75	1932...	2.25
[illegible]	[illegible]	[illegible]	1.50	1938...	0.50
[illegible]	[illegible]	[illegible]	1.25	1942...	1.25
1944-45	0.75	1944-47	1.00	1948...	1.25
[illegible]	[illegible]	1950	2.00	1951...	1.75
[illegible]	[illegible]	[illegible]	2.25	1954...	(F)3.00
[illegible]	1.50				

On $12.50 par shares:

[illegible]	[illegible]	[illegible]	1.90	(F)1937.	2.00
[illegible]	[illegible]	1956.	2.25		
[illegible]	[illegible]	1958...	[illegible]		

On $6.25 par shares:

[illegible]	[illegible]	[illegible]	0.10		

To Feb. 13.

(A)Also paid 20% in stock in 1954; 1955, 2½%; 1956, 5%; 1957, 2½%; 1958, 5%.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

OFFERED—101,223 shares at $60.50 per share Feb. 28, 1957 by Blyth & Co., Inc., New York, and associates. Offering did not represent company financing.

TRANSFER AGENTS—St. Louis Union Trust Co., St. Louis and Bankers Trust Co., New York.

REGISTRARS — Mercantile Trust Co., St. Louis and Chase Manhattan Bank, New York.

LISTED—On New York and Midwest Stock Exchanges.

PRICE RANGE—	(T)1959	1958	1957	1956	1955
High	45¼	82	86	70⅝	53
Low	34	42	40	46	42

(T)After stock split. Before: Since listing on N.Y.S.E., 91¼-42½; for entire period, 91¼-42.

(F)$2.50 per share; old $25 par, 107-66.

MODE O'DAY CORP.

History: Incorporated in California June 16, 1936.

Business: Designs, manufactures, and sells women's and children's low-priced apparel.

Principal outlets for products are 620 retail stores in 31 states, District of Columbia and Hawaii, operating under licenses granted by company, enabling stores to employ the term "Mode O'Day." Merchandise is consigned by company to such licensees.

In 1958 company acquired Sherman Wash Wear, Inc., Chicago with 63 wholly-owned retail stores in Midwest, East and South, now operated under name Mode O'Day.

Property: Company owns 2 Quonset buildings in Mason City, Ia. and one building in Mt. Vernon, Ill. Company has 8 manufacturing plants.

Subsidiary (wholly-owned): Mode O'Day Frock Shops of Hollywood.

Officers: B. B. Malouf, Pres.; C. S. Cressaty, Vice-Pres. and Asst. Sec.; W. B. Malouf, Sec. and Treas.; F. R. Wotring, Asst. Treas.

Directors: B. B. Malouf, Iver Malouf, W. B. Malouf, C. S. Cressaty, Elias Shaheen, F. R. Wotring, Sam Rappaport.

Annual Meeting: Third Tuesday in March.

Counsel: Charles S. Cressaty.

Auditors: Ernst & Ernst.

No. of Stockholders: Dec. 31, 1959, 145.

No. of Employees: Dec. 31, 1959, 1,150.

Office: La Cienega at 3rd St., Los Angeles, Cal.

Consolidated Income Account, years ended Dec. 31:

	1959	1958
(1)Net sales	$15,180,614	$14,277,073
Cost of sales	10,681,336	10,242,183
Selling, etc., exp.	3,560,346	3,468,606
(2)Operating profit	938,932	566,284
Other income	81,808	86,987
Total income	1,020,740	653,271
Interest	57,609	27,282
Empl. retire. fund	134,192	145,460
Other deductions	9,783	4,884
Fed. income taxes	410,000	239,473
Net income	409,156	236,372
Retain. earn., 1-1	2,561,575	2,551,154
Dividends	268,843	206,104
Treas. stk. purch.	dr 650,329	dr 19,847
Retain. earn., 12-31	(3)2,051,559	2,561,575

(1)After deprec. & amort.: 1959, $108,704; 1958, $112,477. (2)$1,957,782 restricted. (3)After disct. to licensees: 1959, $3,244,516; 1958, $1,837,103.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959...	15,180,614	409,156	178,895	2.29
1958...	14,277,073	236,372	216,199	1.09
1957...	14,158,105	151,402	217,858	0.70
1956...	14,991,826	225,491	217,858	1.04
1955...	12,858,972	257,226	218,358	1.18
1954...	11,592,241	312,378	218,358	1.43
1953...	12,325,274	407,142	218,339	1.86
1952...	11,906,315	265,704	218,358	1.22
1951...	11,728,419	303,561	218,358	1.40
1950...	10,796,550	445,568	218,358	2.04

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1959	1958
Cash	$1,019,974	$1,239,568
Receivables	360,025	260,836
(1)Inventories	3,218,550	3,030,258
Prepayments	75,253	79,796
Total current	$4,673,802	$4,610,458
Land, bldgs., etc.	1,314,174	1,324,816
Depree. & amort.	913,547	839,243
Net property	400,627	485,571
Other assets	174,297	302,863
Total	$5,249,626	$5,398,892
Liabilities:		
Accts. pay., etc.	$1,046,875	$1,002,933
Empl. retire. fund	134,192	115,460
Debt due	53,000	50,000
Fed. income tax	(2)45,076	204,500
Total current	$1,319,143	$1,102,393
Notes payable	694,000	250,000
(3)Capital stock	1,184,924	1,091,790
Capital surplus		93,134
Retained earnings	2,051,559	2,561,575
Total	$5,249,626	$5,398,892
Net current assets	$3,354,659	$3,508,065
Net tang. per sh.	$18.11	$17.30

(1)Lower aver. cost or mkt.: 1959, $218,258; $3 par shs. incl. 59,663 (1958, 1,859) treas. shs. (2)After $93,134 tfr. to cap. stk. (3)After $297,132 U. S. tax notes.

Term Loan: Outstanding, Dec. 31, 1959, $717,000, evidenced by 5.1% unsecured note payable $53,000 annually.

Cash dividends may not be paid in excess of 40% of net earnings after Apr. 1, 1959 plus $90,000 provided working capital is not reduced below $2,500,000. Company also agrees to maintain working capital of not less than $2,000,000. At Dec. 31, 1959, $1,957,782 earned surplus was so restricted.

Capital Stock: Mode O'Day Corp. stock; par $5.

AUTHORIZED—400,000 shares; outstanding 178,695 shares; in treasury, 39,663 shares; par $5 (changed from no par July 16, 1937, 20 $5 par shares issued for each no par share).

DIVIDENDS PAID—

1937...	$0.25	1938...	$1.05	1939...	$0.65
1940...	1.35	1941...	0.55	1942...	0.95
1943...	0.35	1944...	0.40	1945...	0.30
1946...	nil	1947...	0.25	1948-49	0.50
1950...	1.40	1951-52	1.00	1953...	1.15
1954...	1.20	1955...	0.75	1956-57	1.00
1958...	0.95	1959...	1.20		

REGISTRAR AND TRANSFER AGENT—Bank of America, N. T. & S. A., Los Angeles, Cal.

DIVIDEND DISBURSING AGENT—Company.

PRICE RANGE—	1959	1958	1957	1956	1955
High	19¼	11¼	15¾	15	15
Low	10½	12	14	16	15

MOHAWK RUBBER CO.

History: Incorporated Jan. 8, 1913, in Ohio, and acquired the plant formerly of the Stein Double Cushion Tire Co., at Akron, Ohio. Company was reorganized under a plan effective Apr. 1, 1938 (for details see Moody's 1938 Industrial Manual).

Business: Manufactures rubber automobile passenger and truck tires and a complete line of tire repair materials, recapping stock and tread rubber.

Properties: Operates plants at Akron, O. containing 178,000 sq. ft. of floor space and West Helena, Ark. with 100,000 sq. ft. of floor space. Total daily capacity, 7,500 tires.

Subsidiary: Mohawk Corp., Stockton, Cal. (51% owned) operates tread rubber plant in Stockton, Cal.

Officers: R. E. Bloch, Chmn.; H. M. Fawcett, Pres. and Gen. Mgr.; J. R. Brock, Purchasing Director; N. E. Ries, Fact. Mgr.; W. T. Ernst, Sec. and Treas.; R. D. Juve, Research Director; T. C. Johnson, Gen. Sales Mgr.; F. F. Silver, Production Director; T. L. Ackerman, Compt.

Directors: H. L. Williams, C. W. Enyart, R. E. Bloch, H. M. Fawcett, N. E. Ries, J. F. Cook.

Auditors: Ernst & Ernst.

General Counsel: Brouse, McDowell, May, Bierce & Wortman.

Annual Meeting: First Monday in March.

No. of Stockholders: Dec. 31, 1959, 1,822.

No. of Employees: Dec. 31, 1959, 1,318.

Office: Akron, O.

Income Account, years ended Dec. 31:

	1959	1958
Net sales	$31,636,632	$25,513,203
Cost of sales	25,542,309	20,526,307
Selling, etc., exp.	3,406,069	2,673,266
Net earnings	2,708,254	2,313,630
Other income	111,762	95,466
Total income	2,820,016	2,409,096
Other deductions	259,381	191,274
Fed. income taxes	1,311,288	1,152,447
(1)Net profit	1,219,347	1,065,375
Earn. surp., 1-1	4,073,015	5,225,010
Dividends (cash)	371,476	196,300
Dividends (stk.)		2,021,004
Tfr. to cap. stock	19,322	
Earn. surp., 12-31	(2)4,901,564	4,073,015

(1)After deprec.: 1959, $516,324; 1958, $404,210. (2)Incl. $728,000 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959...	31,636,632	1,219,347	492,070	2.48
1958...	25,513,203	1,065,375	224,535	4.74
1957...	20,842,426	563,180	144,533	3.90
1956...	15,126,701	370,525	141,638	2.62
1955...	14,330,371	321,068	141,638	2.27
1954...	8,864,762	d 646,522	141,638	d 4.56
1953...	16,263,781	413,321	141,638	2.92
1952...	19,189,795	683,658	141,638	4.83
1951...	20,884,078	1,072,313	141,638	7.57
1950...	11,551,554	596,097	141,638	4.21

Balance Sheet, as of Dec. 31:

Assets:	1959	1958
Cash	$685,502	$835,087
(1)Inventory	5,977,528	4,469,226
Receivables, net	6,648,441	5,378,046
Total current	$13,291,471	$10,682,359
Land, equip. etc.	8,446,170	6,022,428
Deprec. & amort.	2,572,154	2,270,834
Net property	5,874,016	3,751,994
Construction	105,841	
Invest. & adv. sub.	279,433	339,433
Deferred charges	259,336	188,291
Life ins., cash val.	105,763	104,025
Total	$19,915,060	$15,066,102
Liabilities		
Notes payable	$750,000	
Accts. payable	3,732,318	$4,030,770
Fed. income tax	812,127	970,416
Accruals, etc.	1,369,351	192,112
Total current	$6,661,026	$5,193,298
Notes payable	4,000,000	2,500,000
(2)Common stock	4,350,000	224,535
Capital surplus		3,075,254
Earned surplus	4,901,564	4,073,015
Total	$19,915,060	$15,066,102
Net current assets	$6,627,375	$5,489,061
Net tang. com. sh.	$18.80	$32.84

(1)$1 par shs.: 1959, 492,070; 1958, 224,535. (1)Lower cost, (fifo) or mkt. (2)After cred. $1,009,350 proceeds over par stk. sold, & deduct. $4,084,643 tfr. to com. stk.

Term Loan: Outstanding, Dec. 31, 1959, $4,000,000 5.85% notes payable $250,000 annually July 1, 1962-64 and $350,000 annually thereafter. Proceeds to retire outstanding long term debt and for expansion.

Company may not pay cash dividends in excess of 50% of net income after Dec. 31, 1957 plus $175,000. Company agrees to maintain net working capital at $6,000,000 to Dec. 31, 1960 and $6,500,000 thereafter. At Dec. 31, 1959, $728,000 of earned surplus was not so restricted.

Capital Stock: 1. Mohawk Rubber Co. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, 492,070 shares; par $1.

Par changed from no par to $1 Mar. 3, 1958 share for share; $1 shares split 2-for-1 Dec. 19, 1958.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights under Ohio law.

CASH DIVIDENDS PAID—

On $100 par shares:					
1914...	$3.00	1915-16	$6.00	1917...	$19.00
1918-19	10.00	1920...	11.50	1921...	2.50
1922...	Nil				
On no par shares:					
1922-28	Nil	1929...	1.50	1930-41	Nil
1942...	0.50	1943-45	1.00	1946...	2.00
1947-49	1.00	1950...	1.25	1951-52	2.00
1953...	1.75	1954...	0.50	1955...	0.25
1956-57	1.00	1958...	0.25		
On $1 par shares:					
1958...	0.80	1959...	1.05		
On $1 par shares (after 2-for-1 split):					
1959...	0.25	(T)1960...	0.25		

(T)To Apr. 1.

STOCK DIVIDENDS—Apr. 1, 1915, 50%; Jan. 1, 1916, 100%; Apr. 1, 1917, 100%; Dec., 1917, 8⅓%; Apr. 1, 1918, 20%; July, 1918, 25%; Dec., 1918, 10%; July, 1919, 10%; Jan., 1920, 10%; Dec. 15, 1928, 300%; May 20, 1929, 1%; Aug. 20, 1929, 1%; Dec. 23, 1957, 2%; Dec. 20, 1958, 30%.

OFFERED—(12,244 shares) at $24.50 a share (proceeds to company, $23 a share) on May 23, 1958 by Kidder, Peabody & Co., New York. Proceeds for general funds.

(15,000 shares) at $63 a share (proceeds to company $61.16) on June 2, 1959 by Kidder, Peabody & Co., New York. Proceeds for new equipment.

TRANSFER AGENT—First National Bank, Akron and United States Trust Co., New York.

DIVIDEND DISBURSING AGENT—First National Bank, Akron.

REGISTRAR—First National Bank, Akron, Ohio and Morgan Guaranty Trust Co., New York.

PRICE RANGE—(T)	1959	1958	1957	1956	1955
High	28	54	19¾	18½	15¼
Low	27¼	19¾	16½	16	13

(T)After stock split; before, 64-45.

Stock Options held by officers and employees at Dec. 31, 1959, on 38,300 shares at $25.30 to $29.45 a share expire Mar. 7, 1968.

MONOLITH PORTLAND CEMENT CO.

History: Incorporated in Nevada, June 30, 1920, as United States Potash Co.; name changed as above Sept. 15, 1921.

Business: Manufactures standard Portland and High Early Strength cement and also produces a waterproof cement.

Property: Plant located at Monolith, Cal., has an annual capacity of 4,000,000 barrels. Company has limestone deposits under lease expiring Oct. 21, 2025.

Subsidiaries: Monolith Portland Midwest Co. (see appended statement) and Western Velo & Cement Specialties Co. (wholly-owned).

Mohawk 1961 1984A

Earn. surp., 1-31	[1]41,230,712		39,104,251
Earn., com. shares	$3.16		$3.38
No. of com. shares	1,473,909		1,473,909

[1]Incl. sales leased depts. [2]$1,811,000 not restricted.

Sales and Earnings, years to Jan. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1960	167,799,529	4,983,450	1,473,909	3.38
1959	157,915,790	4,219,081	1,464,434	2.88
1958	154,994,341	3,995,638	1,462,874	2.73
1957	148,773,437	4,026,964	1,458,324	2.76
1956	138,785,704	3,916,717	1,452,571	2.70
1955	130,166,021	3,350,353	1,447,999	2.45
1954	130,582,985	3,127,491	1,447,999	2.43
1953	128,603,824	3,460,250	1,447,998	2.39
1952	124,599,347	3,120,260	1,475,499	2.10
1951	123,427,006	5,107,003	1,475,499	3.45

Consolidated Balance Sheet, as of Jan. 31:

Assets:	1961	1960
Cash	$3,374,386	$7,424,856
Mkt. secur., cost	----------	357,846
Accts. rec., net	13,120,028	14,741,032
[1]Merchandise	26,087,816	27,429,533
Prepayments, etc.	1,171,057	1,057,629
Total current	$50,753,287	$51,010,896
Buildings, etc.	33,899,540	33,251,466
Depreciation	11,299,079	10,143,348
Net bldgs., etc.	22,600,461	23,108,118
Store fixtures	14,790,253	13,989,255
Depreciation	6,789,184	6,169,316
Net fixtures	8,001,069	7,819,939
Land	6,272,319	5,909,023
Total	$87,627,136	$87,847,976
Liabilities:		
Notes payable	$759,149	$755,906
Accounts payable	6,940,331	8,115,512
Accruals	5,400,112	5,449,312
Fed. income tax	3,114,457	3,936,127
Total current	$16,214,399	$18,257,857
Notes payable	9,000,000	9,250,000
Mtge. notes pay.	8,830,609	9,358,433
Deferred inc. tax	682,000	330,000
Com. stk. ($3.66⅔)	5,404,333	5,404,333
Capital surplus	6,145,082	6,143,082
Retained earnings	41,230,713	39,104,251
Total	$87,627,136	$87,847,976
Net current assets	$34,538,888	$32,753,039
Net tang. com. sh.	$35.86	$34.37

[1]Lower of cost or mkt.

Note: At Jan. 31, 1961 minimum annual rentals on 86 leases expiring after 5 years, totaled $1,705,000.

Term Loans: Outstanding, Jan. 31, 1961, (1) $1,750,000 3¼% loan payable $250,000 annually. Proceeds added to working capital.

Company agrees not to pay dividends in excess of 70% of net profit after Feb. 1, 1948, or that would reduce working capital to less than $12,000,000.

(2) Outstanding, Jan. 31, 1961, $7,500,000 3½% notes payable annually beginning Dec. 1, 1963 and balance on Dec. 1, 1978. Proceeds to retire bank loans; for expansion and general purposes. Company may not pay dividends in excess of 70% of net income after Jan. 31, 1958. At Jan. 31, 1961, $1,811,000 of retained earnings were not so restricted.

Mortgage Debt: Outstanding, Jan. 31, 1961, $9,253,210 notes payable secured by mortgages on properties acquired. Due in 20 years in most cases.

Capital Stock: L. Mercantile Stores Co., Inc. common; par $3.66 2/3

AUTHORIZED—1,473,499 shares; outstanding, 1,473,909 shares; in treasury, 1,590 shares; par $3.66⅔ (former no par shares split 10-for-1 Dec. 27, 1945; changed from no par in May, 1947, share for share).

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—

On $100 par shares:					
1923	$5.50	1924	$16.00	1925	$4.00
On no par shares:					
1926	$2.25	1926-27	$4.00	1928	$4.56
1929	5.00	1930	4.00	1931-33	1.00
1933-38	Nil	[1]1937	---	1939	1.00
1939	Nil	1940	1.00	1941	3.00
1942-45	2.50				
On no par shares after 10-for-1 split:					
1946	1.00	1947	0.25		
On $3.66 2/3 par shares:					
1947	0.75	1948-51	1.00	1952-54	1.25
1955	1.35	1956	1.60	1957-60	1.65
[1]1961	0.70				

[1]Jan. 23, 1937 paid $3 in 10-year 5% debentures (retired Jan. 20, 1939 at 100).

[1]To June 16.

PURPOSE—Issued in recapitalization in Feb., 1925.

LISTED—On New York Stock Exchange.

OFFERED—371,230 shares at $33 per share on May 15, 1948 by a syndicate headed by Clark, Dodge and Co., New York. Offering did not represent company financing.

PRICE RANGE—	1960	1959	1958	1957	1956
High	37	34	32	29⅛	27½
Low	30⅛	29¼	19½	18	21½

Transfer Agents Chemical Bank New York Trust Co., New York.

Registrars First National City Trust Co., New York.

MICHIGAN RACING ASSOCIATION, INC.

History: Incorporated in Michigan, Aug. 5, 1948.

Business: Conducts horse racing meetings.

Properties: Leases horse racing plant near Detroit, Mich. Racing plant, formerly owned, was sold in Oct., 1955 for $2,750,000 under lease-back arrangement. Lease is for 15 years with two 5-year renewal options.

Officers: E. E. D. Shaffer, Pres.; W. C. McKay, Vice-Pres. and Treas.; D. W. Gardner, Sec.; C. H. McMurray, Asst. Treas.; O. F. Sullivan, Asst. Sec.

Directors: H. R. Boyer, T. D. Buhl, M. C. Callahan, H. A. Campbell, M. F. McCaffrey, O. C. Neumann, D. W. Gardner, R. F. Graham, B. D. Reisman, J. R. Schubot, E. W. Ross, J. R. Spadea, E. E. D. Shaffer, W. C. McKay, F. S. Perkin, P. F. Ternes.

Auditors: Peat, Marwick, Mitchell & Co.

No. of Stockholders: May 5, 1961, 160.

No. of Employees: May 5, 1961, 408.

Office: National Bank Bldg., Detroit 28, Mich.

Mutual Handle: 1960, $39,087,452; 1959, $34,817,158; 1958, $40,710,412; 1957, $43,017,079.

Income Account, years ended Dec. 31:

	1960	1959
Gross income	$6,528,331	$5,804,172
State wager tax	2,779,303	2,476,283
Stakes, purs., etc.	1,285,482	1,114,403
Rental	344,520	344,300
Salaries & wages	899,239	830,365
Other oper. exp.	964,081	796,154
Depreciation	16,998	16,247
Net oper. profit	218,728	226,421
Fed. income tax	110,000	110,000
Net income	108,728	116,421
Prev. earn. surp.	501,285	384,864
Earn. surpl., 12-31	610,013	501,285
Earned per share	$0.31	$0.33
No. of shares	345,721	354,244

Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash	$527,434	$161,830
U. S. Treas. bills	394,285	741,743
Receivables	121,274	108,146
Prepaid rental	277,420	277,420
Oth. prepayments	193,278	244,767
Total current	$1,513,691	$1,533,906
Net equip.	229,846	193,561
Other assets	49,795	41,853
Defd. amt. due	24,000	26,000
Total	$1,817,332	$1,795,320
Liabilities:		
Accts. payable	$71,234	$43,391
Pari-Mutuel tick.	23,217	17,443
Accruals	276,236	283,389
Fed. income tax	120,515	173,780
Total current	$191,353	$518,003
Est. liability	----------	30,000
Deferred credit	21,000	26,000
Com. stk. ($2)	710,672	710,672
Earned surplus	610,013	501,285
Capital surplus	11,831	11,831
Total	1,553,518	1,223,788
[1]Reacq. stock	30,526	2,471
Net stk. & surp.	1,361,966	1,221,317
Total	$1,817,332	$1,795,320
Net current assets	$1,322,338	$1,015,903
Net tang. per sh.	$3.77	$3.45

[1]1960, 9,613 shs.; 1959, 1,090 shs.

Capital Stock: 1. Michigan Racing Association, Inc. common; par $2:

AUTHORIZED—425,000 shares; outstanding, Dec. 31, 1960, 354,721 shares; in treasury, 9,615 shares; par $2.

VOTING RIGHTS—Has sole voting power. Cumulative voting for directors permitted.

PREEMPTIVE RIGHTS—None.

MOHAWK RUBBER CO.

History: Incorporated Jan. 8, 1913, in Ohio, and acquired the plant formerly of the Stein Double Cushion Tire Co., at Akron, Ohio. Company was reorganized under a plan effective Apr. 1, 1938 (for details see Moody's 1938 Industrial Manual).

Business: Manufactures rubber automobile passenger and truck tires and a complete line of tire repair materials, recapping stock and tread rubber.

Properties: Operates plants at Akron, O. containing 178,000 sq. ft. of floor space and West Helena, Ark. with 100,000 sq. ft. of floor space. Total daily capacity, 7,500 tires.

Subsidiary: Mohawk Corp., Stockton, Cal. (100% owned) operates tread rubber plant in Stockton, Cal.

Officers: R. E. Bloch, Chmn.; H. M. Fawcett, Pres. and Gen. Mgr.; J. R. Brock, Purchasing Director; N. E. Ries, Fact. Mgr.; W. T. Ernst, Sec. and Treas.; R. D. Juvo, Research Director; T. C. Johnson, Gen. Sales Mgr.; F. F. Silver, Production Director; T. L. Ackerman, Compt.

Directors: H. L. Williams, C. W. Enyart, R. L. Bloch, H. M. Fawcett, N. E. Ries, J. F. Cook, W. T. Ernst.

Auditors: Ernst & Ernst.

General Counsel: Brouse, McDowell, May, Bierce & Wortman.

Annual Meeting: First Monday in March.

No. of Stockholders: Dec. 31, 1960, 1,982.

No. of Employees: Dec. 31, 1960 1,161.

Office: Akron, O.

Income Account, years ended Dec. 31:

	[1]1960	1959
Net sales	$32,326,941	$31,674,837
Cost of sales	25,748,041	25,512,309
Selling, etc., exp.	2,909,769	3,406,048
Net earnings	2,667,337	2,706,254
Other income	32,501	111,762
Total income	2,700,838	2,820,016
Other deductions	430,371	239,331
Fed. income taxes	1,272,845	1,361,388
[2]Net profit	1,007,672	1,219,317
Earn. surp., 1-1	4,258,754	4,073,013
Dividends (cash)	497,723	371,476
Dividends (stk.)	491,749	----------
Trf. to cap. stock	----------	19,322
Earn. surp., 12-31	[3]5,027,154	4,901,532
Earn., com. share	$2.07	$2.43
No. of com. shares	515,749	492,070

[1]After deprec.: 1960, $727,154; 1959, $716,724. [2]Incl. $809,400 not restricted. [3]Consol.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	31,656,632	1,219,317	492,070	2.43
1958	25,513,203	1,045,375	220,695	4.74
1957	20,842,426	853,199	144,531	5.90
1956	15,128,701	570,525	141,931	3.97
1955	14,330,371	321,648	141,838	2.27
1954	8,864,783	d 646,725	141,938	d 4.56
1953	16,263,781	413,221	141,934	2.77
1952	19,189,798	643,556	141,834	4.53
1951	20,884,078	1,072,312	141,834	7.57
1950	11,531,554	546,087	141,838	4.31

Balance Sheet, as of Dec. 31:

Assets:	[1]1960	1959
Cash	$465,944	$438,598
[2]Inventory	5,722,860	5,927,520
Receivables, net	7,245,578	6,848,441
Total current	$14,044,455	$13,221,471
Land, equip., etc.	9,428,429	8,198,178
Deprec. & amort.	3,213,722	2,772,154
Net property	6,214,707	5,471,015
Construction	15,220	136,441
Invest. & adv. sub.	----------	203,453
Deferred charges	192,593	229,326
Deposits	41,720	----------
Life ins., cash val.	107,457	105,285
Total	$20,556,172	$19,365,849
Liabilities:		
Notes payable	$1,000,000	$750,000
Accts. payable	3,742,532	3,732,318
Fed. income tax	532,274	813,427
Debt due	128,009	----------
Accruals, etc.	1,278,558	1,288,511
Total current	$6,681,372	$6,584,256
Contract pay.	105,669	----------
Notes payable	4,000,000	4,250,000
[3]Common stock	4,851,312	4,321,976
Earned surplus	5,027,159	4,561,364
Total	$20,956,172	$19,717,596
Net current assets	$7,063,083	$6,637,215
Net tang. com. sh.	$13.13	$13.49

[1]$1 par shs.: 1960, 515,749; 1959, 492,070. [2]Lower cost, (fifo) or mkt. [3]Consolidated.

Term Loan: Outstanding, Dec. 31, 1960, $4,000,000 5.85% notes payable $250,000 annually July 1, 1962-64 and $150,000 annually thereafter. Proceeds to retire outstanding long term debt and for expansion.

Company may not pay cash dividends in excess of 50% of net income after Dec. 31, 1957 plus $175,000. Company agrees to maintain net working capital at $6,000,000 to Dec. 31, 1960 and $6,500,000 thereafter. At Dec. 31, 1960, $809,400 of earned surplus was not so restricted.

Other Debt: Outstanding, Dec. 31, 1960, $333,609; subsidiary contracts payable.

Capital Stock: 1. Mohawk Rubber Co. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, 515,749 shares; par $1.

Par changed from no par to $1 Mar. 3, 1958 share for share; $1 shares split 2-for-1 Dec. 19, 1959.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights under Ohio law.

CASH DIVIDENDS PAID—

On $100 par shares:					
1914	$3.00	1915-16	$8.00	1917	$18.00
1918-19	10.00	1920	11.50	1921	5.50
1922	Nil				
On no par shares:					
1922-28	Nil	1929	1.50	1930-41	Nil
1942	0.50	1943-45	1.50	1946	2.00
1947-49	1.00	1950	1.25	1951-52	1.50
1953	1.75	1954	0.50	1955	0.25
1956-57	1.00	1958	0.25		
On $1 par shares:					
1958	0.80	1959	1.05		
On $1 par shares (after 2-for-1 split):					
1959	0.25	1960	1.00		0.25

[1]To Apr. 1.

STOCK DIVIDENDS—Apr. 1, 1915, 50%; Jan. 1, 1916, 100%; Apr. 1, 1917, 100%; Dec. 1, 1917, 5%; Apr. 1, 1918, 20%; July, 1918, 10%; Dec. 15, 1918, 10%; July, 1919, 10%; Jan. 1, 1923, 15%; Dec. 15, 1923, 300%; May 20, 1924, 10%; Aug. 20, 1924, 10%; Dec. 23, 1957, 20%; Dec. 20, 1958, 20%; Dec. 20, 1960, 5%.

...ERED—(11,244 shares) at $24.50 a share ...ceeds to company, $24 a share) on May 28, ...by Kidder, Peabody & Co., New York. ...ceeds for general funds.

...ed shares) at $63 a share (proceeds to ...pany $61.10) on June 2, 1959 by Kidder, ...body & Co., New York. Proceeds for new ...lopment.

...NSFER AGENT—First National Bank, ...on and United States Trust Co., New ...k.

...VIDEND DISBURSING AGENT—First Na...al Bank, Akron.

...GISTRAR—First National Bank, Akron, ...o and Morgan Guaranty Trust Co., New ...k.

...ICE RANGE— 1960 [1]1959 1958 1957 1956
...ish..... 37½ 28 54 19¼ 18½
...Low..... 19 27½ 19¾ 10½ 16

...After stock split; before, 64-45.

...Stock Options held by officers and employ... at Dec. 31, 1960 on 30,123 shares at $24.09 a ...are expire Mar. 7, 1968.

MONARCH MARKING SYSTEM CO.

History: Incorporated in Ohio Apr. 21, 1950; ...tablished 1920.

Business: Manufactures price-marking de... tags and labels and imprinting ma...hines; also industrial labels for identification ...rposes.

Property: Company owns plants at Dayton, ...(135,000 sq. ft.) and Garden Grove, Cal. ...0,000 sq. ft.); subsidiary owns 18,000 sq. ft. ...ant in Toronto, Ont.

Subsidiary: Monarch Marking System Ltd. ...holly-owned).

Directors: E. L. Kohnle, Pres.; L. P. Rieger, ...enior Vice-Pres.; J. Z. Kohnle, H. W. Shaw, ...L. Rieger, R. C. Castor, Vice-Pres.; H. J. W. ...evert, Sec. and Treas.; G. W. Mixon, Jr., ...R. Shaman, F. C. Smith, T. C. Wasmuth.

Other Officers: H. E. Derby, Vice-Pres.

Counsel: Shaman, Winer, Shulman & Ziegler.

Auditors: Ernst & Ernst.

Annual Meeting: Fourth Monday in Mar.

No. of Stockholders: Jan. 16, 1961, 950.

No. of Employees: Jan. 16, 1961, 850.

Office: 216 South Torrence St., Dayton, O.

Consolidated Income Account, years ended Dec. 31:

	1960	1959
Net sales	$11,120,177	$10,530,347
Cost of sales	6,416,153	5,968,891
Selling, etc. exp.	3,211,961	2,862,310
Operating profit	1,185,563	1,820,118
Other income	60,060	43,359
Total income	1,820,023	1,863,477
Income taxes	867,600	913,400
Other deductions	124,086	110,836
Net income	804,337	839,241
Pr. yr. inc. adj.		cr 33,859
Total	804,337	873,100
Retain. earn., 1-1	3,428,672	2,297,319
Preferred divs.	37,346	37,746
Com. divs. (cash)	279,836	103,501
Pr. to pfd. stk.	5,524	
Retain. earn., 12-31	[1]3,510,277	3,028,672
Earn., com. share	$1.82	$2.09
No. of com. shares	421,470	400,000

[1] After deprec. & amort.: 1960, $221,844; 1959, $236,200. [2] $93,273 not restricted.

Condensed Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash & secur.	$1,609,697	$1,844,922
Receivables, net	1,672,214	1,523,308
Inventories	2,240,471	1,910,875
Prepayments	22,227	23,474
Total current	$5,950,709	$5,302,579
Net property	3,834,781	2,429,748
Investments, etc.	711,997	552,977
Total	$10,497,291	$8,285,302
Liabilities:		
Accts. pay., etc.	$676,029	$641,684
Debt due	88,029	88,071
Income, etc., taxes	880,351	633,828
Total current	$1,275,009	$1,263,581
Notes payable	1,575,224	1,663,949
7% pfd. stk.		629,100
[1]Common stk.	3,176,750	1,600,000
Retained earnings	3,510,277	3,028,672
Total	$10,497,291	$8,285,302
Net current assets	$4,675,701	$3,038,998

[1] Std. cost, not over mkt. after obsol. res. [2] 421,470 (1959, 400,000) no par shs.

Mortgage Debt Outstanding, Dec. 31, 1960, $1,520,000 first 6½% notes payable annually Apr. 1: 80,000 1960-65; 100,000, 1966-73; $320,000, 1974; secured on Dayton and Los Angeles plants.

Company may not pay cash dividends or acquire capital stock (except from proceeds of future issues of shares) in excess of 70% of consolidated net income after Dec. 31, 1958, provided thereafter consolidated net current assets are not less than $1,700,000. At Dec. 31, 1960, $393,573 retained earnings were not so restricted.

Also outstanding, $143,949 first 6¾% mortgage note of subsidiary, payable $1,496 monthly (including interest) to May 15, 1972; secured on Canadian plant; guaranteed as to $100,000 by parent company.

Capital Stock: 1. **Monarch Marking System Co. common;** no par. Authorized, 750,000 shs. outstanding, 421,470 shs.

Rieger and Kohnle families own 214,691 shs. (50.9%).

Dividends: 1959, 16½ cents; 1960, 67 cents; May 15, 1961, 36 cents.

Has one vote per sh., with right of cumulative voting for directors. Has preemptive rights except for 10,000 shs. issuable to key employees for div. restrictions, see mortgage debt above.

Transfer Agent and Registrar: National City Bank, Cleveland.

Offered (100,000 shs.) at $11.50 per sh. on Sept. 9, 1959 by McDonald & Co., Cleveland, and associates. Proceeds of 40,000 shares sold for company account used for working capital.

Price Range: 1960, 31-16; 1959, 15½-11¾.

Preferred Retired: Entire issue of 6% preferred was retired at $26 a share plus dividends of 75 cents a share Jan. 15, 1961, at National City Bank, Cleveland.

MONOLITH PORTLAND CEMENT CO.

History: Incorporated in Nevada, June 30, 1923, as United States Potash Co.; name changed as above Sept. 15, 1921.

Business: Manufactures standard Portland and High Early Strength cement and also produces a waterproof cement.

Property: Plant located at Monolith, Cal., has an annual capacity of 4,000,000 barrels. Company has limestone deposits under lease expiring Oct. 21, 2025.

Subsidiaries: Monolith Portland Midwest Co. (see appended statement) and Western Velo & Cement Specialties Co. (wholly-owned).

Officers: Coy Burnett, Pres.; Kingsbury Gooding, Asst. to Pres.; H. D. McBride, W. D. Burnett, Vice-Pres.; E. R. Durfee, Sec. and Treas.; Pat Carmical, Asst. Treas.; F. H. Erb, Asst. Sec.

Directors: Coy Burnett, J. T. Enright, L. M. Jameson, W. A. Gillette, E. R. Durfee, Kingsbury Gooding, W. D. Burnett.

Auditors: Arthur Andersen & Co.

Annual Meeting: 2nd Wednesday in Mar.

No. of Stockholders: Dec. 31, 1960: Preferred, 620; common, 575.

No. of Employees: Dec. 31, 1960, 550.

Office: 643 South Olive St., Los Angeles 14, Cal.

Consolidated Income Account, years ended Dec. 31:

	[1]1960	1959
Operating profit	$851,293	$23,314
Other income	25,630	41,416
Total income	876,922	46,073
Ranch oper. loss	58,852	20,657
Interest	272,619	133,356
Litigation settl.	118,944	
Other deductions	182,070	26,251
Fed. income tax	49,000	10,000
Minority interest	101,278	
[2]Net profit	64,139	d 123,564
Earn. surp., 1-1	2,819,614	3,163,777
Preferred divs.	149,759	152,048
Pfd. stock prem.	4,587	39,905
Pr. yrs. inc. adj.	d 2,654,000	cr 365,230
Credit	3,577	
Earn. surp., 12-31	139,004	3,213,499
Earn., pfd. share	$0.60	Nil
[3]Earn., com. sh.	d $0.11	d $1.12
No. of pfd. shares	106,971	108,206
No. of com. shares	188,164	188,164

[1] After $666,177 (1959, $405,136) deprec., depl. & amort. [2] Disregard pfd. arrears. [3] Incl. Monolith Portl. Midwest Co., not prev. consol.

Earnings, years to Dec. 31 (in $):

	Oper. Profit	Net Profit	No. of Shares	[1]Earn. on Com.
1959	23,314	d 20,637	188,164	d 1.13
1958	92,779	d 40,454	188,164	d 1.08
1957	248,596	d 17,228	188,164	d 1.09
1956	649,959	111,219	188,164	0.06
1955	1,479,414	528,512	188,164	2.30
1954	1,283,384	646,248	188,164	2.79
1953	1,007,150	539,172	188,164	2.25
1952	506,683	187,542	188,164	0.45
1951	868,277	426,867	188,164	2.19
1950	922,445	540,256	188,164	2.36

[1] Disregarding preferred dividend arrears.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash	$543,988	$383,936
Receivables, net	1,948,200	1,297,580
[1]Inventories	2,696,012	2,003,705
Total current	$5,188,200	$3,685,371
Bldgs., mchy., etc.	17,972,019	12,816,854
Depreciation	10,046,111	6,547,289
Net property	7,926,801	6,269,565
Land, etc.	239,612	197,115
Construction	402,272	253,000
Limestone dep., net	1,022,379	1
Patents, etc.		
Leaseholds	1,743,050	1,771,573
Coal dep. lshd., net	9,020	
Invest. in sub.		[2]612,000
Inv. & adv. affil.	$27,879	
Other assets	801,021	131,983
Defd. charges, etc.	232,021	129,804
Total	$17,291,060	$12,840,275
Liabilities:		
Accounts payable	$1,053,097	$943,458
Loans payable	165,000	1,500,000
Empl. pay. deduct.	75,858	66,637
Debt due	331,650	94,494
Accruals	694,972	433,932
Fed. inc. tax res.	2,924,556	10,146
Total current	$5,244,214	$3,040,659
Long-term debt	2,616,137	1,585,433
Insurance res.	146,000	104,000
Minority interest	2,758,462	
8% pfd. stk. (510)	1,069,710	1,082,060
[3]Common stock	1,881,640	1,881,640
Capital surplus	3,435,893	1,932,984
Earned surplus	139,004	3,213,499
Total	$17,291,060	$12,840,275
Net current assets	d $56,014	$644,612
[4]Net tang. com. sh.	$27.04	$35.02

[1] On limestone dep., less $963,050 (1959, $935,427) amort. [2] 188,164 no par shs. [3] After $331,750 res. [4] After allow. pfd. div. arrears. [5] Fin. cem. and wk. in proc., aver. cost not over mkt.; mater. & supp. aver. cost; livestock at mkt.

Note: Pfd. arrears Dec. 31, 1960, $369,060.

Term Loan: Outstanding, Dec. 31, 1960, $2,600,000 5½% note payable $200,000 to $500,000 annually; balance due Dec. 27, 1968.

Company may not pay cash dividends in excess of 50% of consolidated net income after Jan. 1, 1960. At Dec. 31, 1960 all retained earnings were so restricted.

Also outstanding $347,779 land and equipment purchase contracts.

Capital Stock: 1. **Monolith Portland Cement Co. 5½% cumulative preferred;** par $100. AUTHORIZED—150,000 shares; outstanding, 106,971 shares; par $10.

PREFERENCES—Has preference as to assets and dividends.

CALLABLE—As a whole or in part at any time on 30 days' notice at $110.75.

VOTING RIGHTS—Has no voting power.

DIVIDENDS PAID—Regular dividends paid J&J 1 to Dec., 1922, incl.; 1930 to 1932, incl., nil; 1933, 25 cents; 1934, 75 cents; 1935, 25 cents; 1936 to 1940, incl., $1; 1941, 25 cents; 1942, 50 cents; 1943, none; 1944 and 1945, 25 cents; 1946, none; 1947, 25 cents; 1948, 50 cents; 1949, 60 cents; 1950, 80 cents; 1951 and 1952, 85 cents; 1953, 90 cents; 1954, $1; 1955, $1.20; 1956, $1.30; 1957 to 1960, incl., $1.40.

Arrears, Dec. 16, 1960, $3.85 per share.

PRICE RANGE—	1960	1959	1958	1957	1956
High	14	15	14	14	13½
Low	12¼	12¾	12¾	12½	14½

2. **Monolith Portland Cement Co. common;** no par:

AUTHORIZED—250,000 shares; outstanding, 188,164 shares; no par (changed from $10 par in 1929, share for share).

Of outstanding shares, 75,000 were issued in exchange for outstanding common stock (300,000 shares) of Monolith Portland Midwest Co.

DIVIDENDS PAID—At rate of 80 cents per annum to Jan. 1, 1930, incl.; none thereafter.

PRICE RANGE—	1960	1959	1958	1957	1956
High	27½	27½	27	28	26½
Low	27	28¼	26	26	22½

Transfer Agent: Security-First National Bank, Los Angeles, Calif.

Registrar: Citizens National Trust & Savings Bank, Los Angeles, Calif.

Listed: Unlisted trading in both classes on Pacific Coast Stock Exchange.

MONOLITH PORTLAND MIDWEST CO.

(Controlled by Monolith Portland Cement Co.)

History: Incorporated in Nevada July 14, 1928.

Business: Produces cement at Laramie, Wyo.; also engaged in oil gas drilling in Colorado.

Property: Owns in fee plant site and limestone deposits. Production capacity, 1,050,000 barrels.

Subsidiaries: Santee Portland Cement Co.; Wyoming Construction Co. and Laramie Valley Ry. Co.

Officers: Coy Burnett, Pres.; S. W. Russell, Vice-Pres. (Service and Sales); W. D. Burnett, H. D. McBride, Vice-Pres.; Kingsbury Gooding, Asst. to Pres.; E. R. Durfee, Sec. and Treas.; Pat Carmical, Asst. Treas.; F. H. Erb, Asst. Sec.

Directors: Coy Burnett, E. R. Durfee, H. D. McBride.

Auditors: Arthur Andersen & Co.

No. of Stockholders: Dec. 31, 1960: Preferred, 1,810; common, 1.

No. of Employees: Dec. 31, 1960, 237.

Office: 643 So. Olive St., Los Angeles, Calif.

Consolidated Income Account, years ended Dec. 31:

	1960	1959
Operating profit	$672,714	$776,228
Ranch operations	dr 18,424	dr 20,988
Other income	76,666	60,041
Total income	730,956	815,281
Interest	66,469	
Other deductions	185,403	175,195
Fed. income taxes	193,000	233,000
[1]Net profit	286,084	405,086
Earn. surp., 1-1	2,120,353	1,873,711
Preferred divs.	177,237	177,823
Pfd. stock prem.	1,602	6,311
Pr. yr. inc. tax	1,142,000	cr 28,436

Mohawk 1962

Properties: Plants located at Manitowoc and Two Rivers, Wis., consist of 7 main buildings with a floor area of 1,937,597 sq. ft., situated on 122 acres of land. Sales offices located in Chicago and New York. A warehouse is rented in San Francisco.

Officers: W. F. Bugenhagen, Chmn.; A. L. Vits, Pres.; G. C. Kubitz, F. Terens, Senior Vice-Pres.; H. L. Vits, Vice-Pres.; L. L. Newberry, Sec. and Treas.; C. J. Stephenson, Asst. Sec.; U. E. Garey, Asst. Treas.

Directors: Frederic Sammond, N. H. Ott, H. L. Vits, R. B. McKee, T. C. Jones, W. F. Bugenhagen, A. L. Vits.

Annual Meeting: Second Wednesday in April, at Room 1206, 26 Journal Square, Jersey City, N. J.

General Counsel: Clark, Rankin, Nash, Emmerling & Spindler, Manitowoc, Wis.

Auditors: Arthur Andersen & Co.

No. of Stockholders: Dec. 31, 1961, 2,636.

No. of Employees: Dec. 31, 1961, 2,717.

General Offices: Manitowoc, Wis.

Income Account, years ended Dec. 31:

	1961	1960
Net sales	$40,445,982	$40,312,557
Costs & expense	34,363,374	34,446,922
Depreciation	1,337,869	1,176,073
Operating profit	4,744,739	4,689,562
Other deduct., net	446,595	583,225
Income taxes	2,292,456	2,237,861
Net income	2,005,688	1,868,476
Retain. earn., 1-1	12,482,159	11,867,698
Dividends	1,254,990	1,254,015
Retain. earn., 12-31	[1]13,232,857	12,482,159
Earn., com. share	$1.92	$1.79
No. of com. shares	1,045,950	1,045,400

(1) Incl. $8,265,910 restricted.

Sales & Earnings, years to Dec. 31 (in $):

	Sales	Net Income	No. of Shares	Earn. on Com.
1959	40,869,337	1,852,721	1,043,300	1.78
1958	37,534,458	2,464,865	1,038,900	2.37
1957	37,149,400	2,250,020	1,032,013	2.18
1956	37,023,473	2,062,347	1,031,513	2.00
1955	36,850,176	2,783,388	995,713	2.75
1954	29,782,668	1,747,078	995,713	1.75
1953	34,650,211	2,578,930	995,713	2.59
1952	31,453,467	2,194,055	995,713	2.20
1951	21,040,108	1,261,071	995,713	1.26
1950	32,079,310	3,839,531	995,713	3.85

Balance Sheet, as of Dec. 31:

Assets:	1961	1960
Cash	$2,438,594	$1,903,001
Receivables, net	4,209,978	3,697,462
[1]Inventories	12,654,463	12,536,078
Prepayments, etc.	307,394	366,782
Total current	$19,610,426	$18,503,323
Land, bldgs., etc.	26,869,441	27,237,300
Depreciation	7,793,641	7,265,520
Net property	19,075,800	19,971,780
Due from empl.	233,177	295,063
Total	$38,919,403	$38,770,166
Liabilities:		
Accts. pay., etc.	$1,205,946	$1,203,615
Income tax prov.	1,269,809	1,260,476
Other accruals	1,330,217	1,165,860
Total current	$3,805,972	$3,629,951
Def. Fed. inc. tax	375,141	164,723
Notes payable	9,000,000	10,000,000
Com. stock ($10)	10,459,500	10,454,000
Capital surplus	2,045,933	2,039,333
Retained earnings	13,232,857	12,482,159
Total	$38,919,403	$38,770,166
Net current assets	$15,804,454	$14,873,372
Net tang. com. sh.	$24.61	$23.89

(1) Lower cost (fifo) or mkt.

Term Loan: Outstanding, Dec. 31, 1961, $9,000,000 evidenced by (1) $3,000,000 4½% notes due $1,000,000 annually to Jan. 2, 1965 and (2) $6,000,000 5¼% notes, payable $1,200,000 annually, 1966-70. Proceeds to finance in part construction of new aluminum sheet and foil plant.

Company may not pay dividends or acquire stock in excess of net income after Dec. 31, 1956 plus $1,500,000 or when net working capital is less than $10,000,000. At Dec. 31, 1961, $8,265,910 of retained earnings were so restricted.

Capital Stock: L. Mirro Aluminum Co. common par $10:

AUTHORIZED—1,750,000 shares; outstanding, 1,045,950 shares; reserved for options, 75,000 shares; par $10 (changed from $100 to no par on Dec. 12, 1928; 10 no par shares issued for each $100 share; from no par to $10 par Apr. 10, 1957, share for share).

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

DIVIDEND RESTRICTIONS—See term loan above.

DIVIDENDS PAID—On $100 par shares: 1910, 4%; 1911, 1¼%; 1912, 7½%; 1913, 9%; 1914, 7½%; 1915, 20%; 1916 to 1919, (incl., 50%; 1920, 7½%; 1921, 9%; 1922, 15%; 1923, 13%; 1924, 15%; 1925, 13%; 1926, 11%; 1927, 8%; 1928, 14%.

Paid 850% stock dividend Aug. 2, 1920 (800% on common stock and 50% in preferred stock, par $100); Sept. 12, 1923, 33 1/3% on common stock.

On no par shares:

1929-31	$1.20	1932	$0.75	1933-34	$0.40
1935	0.50	1936	1.00	1937	1.14
1938	0.75	1939-41	1.00	1942	0.85
1943-46	1.00	1947	2.25	1948	3.00
1949	2.00	1950	2.55	1951	1.50
1952	1.25	1953-55	1.50	1956	1.60
1957	1.50	1958	1.20	1959-60	1.50
1961	1.20	[1]1962	0.30		

(1) To Apr. 2.

OFFERED—(200,000 shares) at $20 per share in Dec., 1928, by Union Trust Co., Pittsburgh.

PRICE RANGE—	1961	1960	1959	1958	1957
High	28½	39	39	34	24¾
Low	22¼	23½	31	17¾	16¼

Transfer Agent: Mellon National Bank & Trust Co., Pittsburgh.

Dividend Disbursing Agent: Company.

Registrar: Pittsburgh National Bank.

Listed: Unlisted trading on American Stock Exchange.

Stock Options held by employees at Dec. 31, 1961 on 33,050 shares at $22 and $24.50 per share expire Dec. 31, 1972.

MOHAWK RUBBER CO.

History: Incorporated Jan. 8, 1913, in Ohio, and acquired the plant formerly of the Stein Double Cushion Tire Co., at Akron, Ohio. Company was reorganized under a plan effective Apr. 1, 1938 (for details see Moody's 1938 Industrial Manual).

Business: Manufactures rubber automobile passenger and truck tires and a complete line of tire repair materials, recapping stock and tread rubber.

Properties: Operates plants at Akron, O. containing 178,000 sq. ft. of floor space and West Helena, Ark. with 265,000 sq. ft. of floor space. Total daily capacity, 9,000 tires.

Subsidiary: Mohawk Corp., Stockton, Cal. (100% owned) operates tread rubber plant in Stockton, Cal.

Officers: R. E. Bloch, Chmn.; H. M. Fawcett, Pres.; W. T. Ernst, Sec. and Treas.; R. D. Juve, Research Director; T. C. Johnson, Gen. Sales Mgr.; F. F. Silver, Production Director.

Directors: H. L. Williams, C. W. Enyart, R. E. Bloch, H. M. Fawcett, N. E. Ries, J. F. Cook, W. T. Ernst.

Purchasing Agent: J. R. Brock.

Auditors: Ernst & Ernst.

General Counsel: Brouse, McDowell, May, Bierce & Wortman.

Annual Meeting: First Monday in March.

No. of Stockholders: Dec. 31, 1961, 2,332.

No. of Employees: Dec. 31, 1961, 1,150.

Office: Akron, O.

Consolidated Income Account, years ended Dec. 31:

	1961	1960
Net sales	$36,379,151	$32,326,081
Cost of sales	27,092,582	25,[illegible]
Selling, etc., exp.	5,219,215	3,909,763
Net earnings	4,037,354	2,647,337
Other income	48,639	31,501
Total income	4,085,993	2,701,838
Other deductions	[1]474,571	430,971
Fed. income taxes	1,800,000	1,[illegible]
[2]Net profit	1,751,422	1,[illegible]
Retain. earn., 1-1	5,037,159	4,[illegible]
Dividends (cash)	600,114	497,[illegible]
Dividends (stock)		497,[illegible]
Retain. earn., 12-31	[3]6,188,467	5,037,159
Earn., com. share	$2.75	$1.97
No. of com. shares	635,785	515,789

(1) After deprec.: 1961, $784,514; 1960, $777,158. (2) Incl. $547,448 not restricted. (3) Incl. $432,061 int.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	31,656,632	1,219,347	432,070	2.14
1958	25,513,203	1,065,375	224,535	4.74
1957	20,842,426	563,180	141,533	3.90
1956	15,126,701	370,525	141,633	2.62
1955	14,330,371	321,068	141,633	2.27
1954	8,864,762	d 616,522	141,633	d 4.56
1953	16,263,781	413,121	141,633	2.93
1952	19,189,795	653,658	141,633	4.83
1951	20,884,078	1,071,313	141,633	7.57
1950	11,551,554	596,647	141,633	4.21

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1961	1960
Cash	$[illegible]	$[illegible]
[1]Inventory	[illegible]	5,792,890
Receivables, net	9,940,793	7,345,599
Prepayments	92,932	
Total current	$17,349,934	$14,044,455
Land, equip., etc.	[illegible]	[illegible]
Depreciation, etc.	[illegible]	[illegible]
Net property	[illegible]	6,554,707
Construction	1,072,526	15,220
Deferred charges		122,543
Deposits, etc.	170,211	41,720
Life ins., cash val.	109,171	107,487
Total	$25,007,918	$20,956,172
Liabilities:		
Notes payable		$1,000,000
Accts. payable	$5,039,193	3,742,652
Fed. income tax	1,256,873	832,584
Debt due		126,000
Accruals, etc.	1,725,201	1,278,356
Total current	$8,138,717	$6,981,592
Contract pay.		105,609
Notes payable	5,500,000	4,000,000
[1]Common stock	5,180,784	4,831,812
Retained earnings	6,188,467	5,037,159
Total	$25,007,918	$20,956,172
Net current assets	$9,251,217	$7,062,863
Net tang. com. sh.	$17.88	$19.13

(1) $1 par shs.: 1961, 635,785; 1960, 515,789.
(2) Lower cost (fifo) or mkt.

Term Loan: Outstanding, Dec. 31, 1961, $5,500,000 5.85% notes payable each Oct. 1: 1964-66, $350,000; 1967-76, $415,000. Proceeds to retire outstanding long term debt and for expansion.

Company may not pay cash dividends in excess of 50% of net income after Dec. 31, 1960 plus $250,000. Company agrees to maintain net working capital at not less than $8,000,000. At Dec. 31, 1961, $547,448 of earned surplus was not so restricted.

Capital Stock: L. Mohawk Rubber Co. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, 635,785 shares; reserved for options, 32,964 shares; par $1.

Par changed from no par to $1 Mar. 3, 1958 share for share; $1 shares split 2-for-1 Dec. 19, 1959 and 6-for-5 Dec. 22, 1961.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights under Ohio law.

CASH DIVIDENDS PAID—

On $100 par shares:

1914	$3.00	1915-16	$8.00	1917	$19.00
1918-19	10.00	1920	11.50	1921	3.50
1922	Nil				

On no par shares:

1922-28	Nil	1929	1.50	1930-41	Nil
1942	0.50	1943-45	1.00	1946	2.00
1947-49	1.00	1950	1.25	1951-52	3.00
1953	1.75	1954	0.50	1955	0.25
1956-57	1.00	1958	0.25		

On $1 par shares:

1958	0.80	1959	1.05

On $1 par shares (after 2-for-1 split):

1959	0.25	1960	1.00	1961	0.75

On $1 par shares (after 6-for-5 split):

1961	0.30	[1]1962	0.30

(1) To Apr. 1.

STOCK DIVIDENDS—Apr. 1, 1915, 50%; Jan. 2, 1916, 100%; Apr. 1, 1917, 100%; Dec., 1917, 8⅓%; Apr. 1, 1918, 20%; July, 1918, 25%; Dec., 1918, 10%; July, 1919, 10%; Jan., 1920, 10%; Dec. 15, 1928, 300%; May 20, 1929, 1%; Aug. 20, 1929, 1%; Dec. 23, 1957, 2%; Dec. 20, 1958, 50%; Dec. 30, 1960, 5%.

OFFERED—(12,244 shares) at $24.50 a share (proceeds to company, $23 a share) on May 28, 1958 by Kidder, Peabody & Co., New York. Proceeds for general funds.

(15,000 shares) at $63 a share (proceeds to company $61.16) on June 2, 1959 by Kidder, Peabody & Co., New York. Proceeds for new equipment.

TRANSFER AGENT—First National Bank, Akron and United States Trust Co., New York.

DIVIDEND DISBURSING AGENT—First National Bank, Akron.

REGISTRAR—First National Bank, Akron, Ohio and Morgan Guaranty Trust Co., New York.

PRICE RANGE—	[1]1961	1960	[2]1959	1958	1957
High	42	37½	23	54	19½
Low	37½	19	27¼	19¼	16½

(1) After stock split: before, 64-45.
(2) After stock split: before, 47-18½.

Stock Options held by officers and employees at Dec. 31, 1961 on 30,162 shares at prices from $19.04 to $20.08 a share expire Mar. 7, 1965.

MORGAN ENGINEERING CO.

History: Incorporated in Ohio in Feb., 1900. Business established in 1868.

Business: Designers, manufacturers, and contractors of special machinery for steel mills, gantry cranes, ingot stripping machines, electric overhead traveling cranes, electric welded fabrications, charging machines, soaking pit and ladle cranes, structural, blooming and plate mills.

Properties: Plant located at Alliance, O.

Officers: W. H. Morgan, Jr., Pres.; R. P. Williamson, D. H. Nicholson, C. F. Simmers, A. F. Morris, Jr., Vice-Pres.; C. H. Miller, Jr., Vice-Pres. and Treas.; R. S. Tyler, Jr., Sec.

Directors: J. P. Selberling, F. E. Henry, Jr., W. H. Morgan, Jr., E. T. Shannon, R. S. Tyler, Jr., E. M. Cook, A. F. Morris, Jr., L. C. Lerner, C. H. Miller, Jr.

Auditors: Peat, Marwick, Mitchell & Co.

General Counsel: Squire, Sanders & Dempsey, Cleveland.

Annual Meeting: Fourth Tuesday in March.

No. of Stockholders: Dec. 31, 1961: Preferred, 500; common, 1,100.

No. of Employees: Dec. 31, 1961, 650.

Main Office: Alliance, O.

Income Account, years ended:

	Dec. 31, '61	Jan. 1, '61
Net shipments	$11,626,707	$15,370,664
Cost of shipments	10,743,257	13,727,752
Selling, etc., exp.	1,222,819	1,291,[illegible]
Operating profit	d 339,369	351,[illegible]
Other income	120,414	73,[illegible]
Total income	d 218,955	424,[illegible]
Fed. income tax	cr 105,304	210,[illegible]
Net income	d 113,651	214,[illegible]
Retain. earn., 1-1	6,297,[illegible]	6,2[illegible]
Prior pfd. divs.	38,473	4[illegible]
Com. divs. (cash)	81,906	76,[illegible]
Retain. earn., 12-31	5,970,[illegible]	6,2[illegible]
Earn. pr. pfd. sh.	Nil	$14.[illegible]
Earn., com. share	d $0.81	$0.[illegible]
No. of pr. pfd. shs.	15,479	15,[illegible]
No. of com. shares	188,[illegible]	188,[illegible]

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Mohawk 1963

MESTA MACHINE CO.

History: Incorporated in Pennsylvania Nov. 21, 1898, succeeding businesses of Leechburg Foundry & Machine Co. and Robinson-Rea Co.

Business: A major designer and builder of rolling mills for ferrous and non-ferrous industries, auxiliary mill machinery, cast and forged mill rolls, continuous processing lines, forgings and bending presses, iron and steel castings, forgings, and weldments.

Property: Plant and general offices located at West Homestead, Pa. (near Pittsburgh), on 32 acres extending along Monongahela River.

Also owns plant at New Castle, Pa., purchased from the Government in July, 1956, for $8,000,000, payable over 20-year period. Plant covers 50 acres and comprises 15 buildings with machinery and equipment.

In Dec., 1958, company acquired land and buildings of Southern Wheel Division of American Brake Shoe Co. covering 7-acre tract adjoining West Homestead plant to be used for future expansion.

Officers
Lorenz Iversen, President
W. W. Powell, Exec. Vice-President
J. D. Iverson, Vice-Pres. (Oper.)
J. M. Hutchison, Secretary
R. P. Brown, Treasurer
R. O. Horning, Assistant Treasurer
V. F. Koerner, Assistant Secretary

Directors
Lorenz Iversen, Pittsburgh
R. H. Demmler, Pittsburgh
W. W. Powell, Pittsburgh
R. E. Willis, Pittsburgh
J. D. Iversen, Pittsburgh
R. O. Horning, Pittsburgh
W. B. McFall, Pittsburgh

General Counsel: Reed, Smith, Shaw & McClay, Pittsburgh, Pa.

Auditors: Price Waterhouse & Co.

Annual Meeting: Third Tuesday in March at West Homestead, Pa.

No. of Stockholders: Dec. 31, 1962, 7,428.

No. of Employees: Dec. 31, 1962, 3,097.

General Offices: West Homestead, Pa.

Mail Address: P. O. Box 1466, Pittsburgh 30, Pa.

Unfilled Orders:	1962	1961
As of Dec. 31	$49,400,000	$54,500,000

Income Account, years ended Dec. 31:

	1962	1961
[1]Net sales, etc.	$51,284,275	$60,795,931
Cost of sales	39,425,153	47,000,330
Selling, etc., exp.	2,643,908	2,758,755
Depreciation	2,030,115	1,105,338
Pension, etc.	3,675,127	4,038,177
Interest	172,765	183,634
Fed. income tax	1,289,000	2,725,000
Penn. income tax	132,000	265,000
Net income	1,716,207	2,719,717
Earn. surplus, 1-1	32,640,870	32,391,137
Dividends	1,852,469	2,469,984
Earn. surp., 12-31	32,504,608	32,640,870
Earn., com. share	$1.74	$2.75
No. of com. shares	987,979	987,979

[1]Incl. other income.

Sales and Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Income	No. of Shares	Earn. on Com.
1962	62,345,058	2,851,616	987,979	2.89
1959	70,198,433	5,205,801	987,979	5.27
1958	78,679,486	6,811,337	987,979	6.89
1957	66,448,954	6,454,076	987,979	6.53
1956	49,510,636	4,364,727	987,979	4.42
1955	50,676,508	3,653,945	987,979	3.70
1954	46,377,376	5,377,980	987,979	5.44
1953	47,698,559	3,500,116	987,797	3.54
1952	40,838,429	2,709,597	987,979	2.71
1951	45,328,937	3,808,194	987,979	3.85

Balance Sheet, as of Dec. 31:

Assets:	1962	1961
Cash	$3,858,027	$3,421,085
Mkt. secur.	2,250,381	3,495,653
Receivables, net	10,234,173	9,232,978
[2]Inventories	21,932,250	22,754,883
Bills on contracts	cr 9,581,239	cr 8,813,685
Total current	$28,722,572	$30,190,914
[3]Net property	18,619,230	19,822,662
Investments (cost)	115,523	315,523
Prepayments, etc.	151,043	100,015
Total	$48,498,368	$50,459,114
Liabilities:		
Accts. pay., etc.	$4,915,926	$6,270,257
Income tax res.	[4]------	[4]------
Repl. sales res.	619,606	695,112
Mtge. payable	394,737	394,737
Total current	$5,930,359	$7,360,106
Mtge. payable	5,131,579	5,526,316
Com. stock ($5)	5,000,000	5,000,000
Earned surplus	32,504,608	32,640,870
Total	37,504,603	37,640,870
[5]Reacq. stock	68,178	68,178
Net stk. & surp.	37,436,430	37,572,692
Total	$48,499,368	$50,459,114
Net current assets	$22,792,213	$22,830,808
Net tang. com. sh.	$37.85	$38.03
[6]Depr. & amort.	$17,669,260	$15,862,963

[1]Lower cost or mkt. [2]12,021 shs. at cost. [3]After deduct. U. S. tax notes: 1962, $719,653; 1961, $1,480,543.

Mortgage Loan: Outstanding, Dec. 31, 1962, $5,526,316 at 3%; payble $394,737 annually to 1978. Proceeds to purchase government plant at New Castle, Pa.

Capital Stock: 1. Mesta Machine Co. common; par $5:

AUTHORIZED — 1,400,000 shares; issued 1,000,000 shares; outstanding 987,979 shares; in treasury (held for resale to employees) 12,021 shares; par $5 (changed from $100 to no par June 23, 1927, 3 no par shares common and 1 preferred share issued in exchange for each $100 share; changed from no par to par $5 Dec. 4, 1929, 6-2/3 $5 shares issued for each no par share).

Dividend Record (in $)

		($100 par shares)			
1898-1900	nil	1901-02	4.50	1903	3.00
[1]1904	2.50	1905	1.00	1906	6.00
1907	4.50	[2]1908-09	nil	1910	1.00
1911-13	nil	1914	1.50	1915	4.00
1916-18	8.00	1919	2.00	1920	6.00
1921	5.00	[3]1922-24	6.00	1925-28	10.00
1927	7.00				
		(No par shares)			
1927	2.50	1928	7.50	1929	12.00
		($5 par shares)			
[4]1930	2.50	1931	2.00	1932	1.50
1933	0.80	[5]1934	1.25	1935	1.62½
1936-37	3.75	1938	3.00	1939	1.50
1940	2.00	1941	2.25	1942	2.87½
1943-47	2.50	1948-51	3.50	1952-54	2.50
1955-57	3.00	1958-60	3.50	1961	2.50
1962	2.25	[6]1963	0.50		

[1]Plus 150% stock. [2]Plus 25% stock in 1908. [3]Plus 25% stock in 1923. [4]Plus 50% stock. [5]Plus 66⅔% stock Nov. 30, 1934. [6]To Apr. 2.

Dividends payable quarterly Jan. 1, etc., to stock of record about Dec. 16, etc.

VOTING RIGHTS—One vote per share. Cumulative voting allowed in election of directors.

PREEMPTIVE RIGHTS—None.

LISTED—New York and Pittsburgh Stock Exchanges.

TRANSFER AGENTS—Bankers Trust Co., New York, and Commonwealth Bank & Trust Co., Pittsburgh.

REGISTRARS—Morgan Guaranty Trust Co., New York, and Mellon National Bank & Trust Co., Pittsburgh.

DIVIDEND DISBURSING AGENT—Commonwealth Bank & Trust Co., Pittsburgh.

PRICE RANGE—	1962	1961	1960	1959	1958
High	52¾	59⅜	70½	82¼	62½
Low	28¼	45¼	42¼	53¾	39

MICHIGAN CARTON CO.

History: Incorporated in Michigan Apr. 17, 1907; in Apr. 1960 acquired machinery and fixtures of Caldwell Packaging Corp., Atlanta.

Business: Company produces boxboard and folding cartons.

Property: Company owns plants in Battle Creek, Mich. and Atlanta, Ga., aggregating 746,000 sq. ft. of floor space.

Officers: L. G. Fell, Chmn.; Dan Int-Hout, Jr., Pres.; R. G. Pender, C. H. Cameron, L. J. Phillips, Vice-Pres.; N. W. Schmitzer, Vice-Pres. and Treas.; J. G. McCarthy, Sec. and Contr.; V. K. Livingston, Asst. Treas.

Directors: C. H. Cameron, H. F. Conklin, L. G. Fell, J. S. Gilmore, Jr., Dan Int-Hout, Jr., E. M. Jenkins, R. G. Pender, B. S. Sabin, W. L. Smith, Jr.

Auditors: Price Waterhouse & Co.

Purchasing Agent: D. P. Van Dyk.

General Counsel: B. S. Sabin.

Annual Meeting: Third Monday of Feb.

No. of Stockholders: Dec. 31, 1962, 603.

No. of Employees: Dec. 31, 1962, 876.

Office: 70 E. Fountain St., Battle Creek, Mich.

Boxboard Produced (tons), years ended Dec.:

1962	93,894	1960	94,500
1961	100,400	1959	97,600

Income Account:	52 weeks to Dec. 30 '62	Dec. 31 '61
Net sales	$16,838,993	$17,447,934
Cost of sales	13,528,065	13,422,311
Selling, etc., exp.	1,281,895	1,240,376
Depreciation	1,485,912	1,056,585
Oper. profit	542,481	1,238,662
Other income	21,534	26,315
Total income	564,015	1,264,947
Other deduct.	93,936	94,245
Fed. income tax	210,000	520,000
Net income	255,079	570,702
Prev. ret. earn.	10,291,263	10,210,161
Dividends	360,000	390,000
Retained earnings	10,286,342	10,391,263
Earn., com. share	$0.85	$1.90
No. of com. shares	300,000	300,000

Sales & Earnings, years to ($):

	Net Sales	Net Income	No. of Com. Shs.	Earn. Com. Sh.
1- 1-61	16,249,773	852,133	300,000	2.18
[1]1-3-60	18,158,777	9 9,381	300,000	3.10
12-28-58	17,210,026	1,061,518	300,000	3.02

[1]53 weeks.

Balance Sheet:

Assets:	Dec. 30 '62	Dec. 31 '61
Cash	$739,826	$692,259
Receivables	1,622,473	990,125
[2]Inventories	1,538,512	1,691,279
Prepayments	231,632	114,963
Total current	$3,922,873	$3,700,625
Net property	10,899,755	11,729,250
Life ins., cash val.	250,357	235,521
Total	$15,072,935	$15,664,396
Liabilities:		
Notes payable	$180,000	$200,000
Accounts payable	419,913	653,391
Accruals, etc.	1,008,472	772,813
Fed. income tax	178,173	596,904
Total current	$1,786,593	$2,173,133
Note payable	------	100,000
Com. stock ($10)	3,000,000	3,000,000
Retained earnings	10,286,342	10,391,263
Total	$15,072,935	$15,664,396
Net current assets	$2,136,280	$1,527,492
Net tang. com. sh.	$14.29	$44.64

[1]Lower cost (fifo) or mkt.

Capital Stock: Michigan Carton Co. common; par $10:

Authorized, 400,000 shares; outstanding, 300,000 shares, par $10.

Has one vote per share. Preemptive rights waived on 100,000 unissued shares.

Dividends (fiscal years since 1956):

1957	$1.50	1958	$1.40	1959	$1.60
1960	1.50	1961	1.30	1962	1.20

Transfer Agent and Registrar: Company's office.

Price Range: 1962, 24-18⅝.

MOHAWK RUBBER CO.

History: Incorporated Jan. 8, 1913, in Ohio, and acquired the plant formerly of the Stein Double Cushion Tire Co., at Akron, Ohio. Company was reorganized under a plan effective Apr. 1, 1938 (for details see Moody's 1938 Industrial Manual).

Business: Manufactures rubber automobile passenger and truck tires and a complete line of tire repair materials, recapping stock and tread rubber.

Properties: Operates plants at Akron, O. containing 178,000 sq. ft. of floor space and West Helena, Ark. with 265,000 sq. ft. of floor space. Total daily capacity, 9,500 tires.

Subsidiary: Mohawk Corp., Stockton, Cal. (100% owned) operates tread rubber plant in Stockton, Cal.

Officers: R. E. Bloch, Chmn.; H. M. Fawcett, Pres.; W. T. Ernst, Sec. and Treas.; R. D. Juve, Research Director; T. C. Johnson, Gen. Sales Mgr.; P. J. Kuder, Comptr.; J. W. Keener, Jr., Asst. Treas.; L. W. Angst, Prod. Director.

Directors: H. L. Williams, C. W. Bryant, R. E. Bloch, H. M. Fawcett, N. E. Ides, J. F. Cook, W. T. Ernst.

Purchasing Agent: J. R. Brock.

Auditors: Ernst & Ernst.

General Counsel: Brouse, McDowell, May, Bierce & Wortman.

Annual Meeting: First Monday in March.

No. of Stockholders: Dec. 31, 1962, 2,628.

No. of Employees: Dec. 31, 1962, 1,120.

Office: Akron, O.

Consolidated Income Account, years ended Dec. 31:

	1962	1961
Net sales	$37,579,624	$34,379,151
Cost of sales	29,353,551	27,092 533
Selling, etc., exp.	5,901,105	5,219 215
Net earnings	2,319,968	4,037,354
Other income	120,225	48,639
Total income	2,440,193	4,085,993
Interest, etc.	562,734	474 571
Fed. income taxes	833,280	1,860,000
Def. Fed. inc. tax	39,720	------
[1]Net profit	1,004,459	1,751,422
Retain. earn., 1-1	6,188 467	5,037,159
Dividends (cash)	763,200	600,114
Retain. earn., 12-31	[2]6,429,726	6,188,467
Earn., com. share	$1.58	$2.75
No. of com. shares	636,031	635,785

[1]After $574,078 (1961, $784,544) deprec. [2]Incl. $261,269 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1962	32,326,081	1,067,882	515,789	2.07
1959	31,656,632	1,219,317	492,070	2.48
1958	25,513,203	1,965,375	224,535	4.74
1957	20,842,426	563,189	144,533	3.90
1956	15,126,701	370,525	141,638	2.62
1955	14,330,371	321,068	141,638	2.27
1954	8,864,762	d 646,522	141,638	d 4.56
1953	16,243,791	413,321	141,638	2.92
1952	19,183,195	683,658	141,638	4.83
1951	20,884,078	1,072,313	141,638	7.57

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1960, 1.73; 1959, 1.97; 1958, 1.88; 1957, 1.12; 1956, 0.78; 1955, 0.68; 1954, d 1.37; 1953, 0.87; 1952, 1.45; 1951, 2.27.

Shares: 1960, 618,792; 1959, 619,959; 1958, 565,828; 1957, 473,476; 1956-51, 472,253.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1962	1961
Cash	$899,360	$833,007
[1]Inventory	8,359,524	6,563,733
Receivables, net	11,911,636	9,900,293
Prepayments	131,658	92,933
Total current	$20,661,538	$17,389,984
[2]Net property	7,321,795	6,256,038
Construction	------	1,073,526
Deposits, etc.	121,527	139,211
Life ins., cash val.	111,000	109,171
Total	$28,421,580	$25,007,918
Liabilities:		
Notes payable	$1,000,000	------
Accts. payable	5,965,280	$5,059,193

MOHAWK 1963 721(2)

...income tax --	693,103	1,356,333
...ends	1,639,253	1,733,291
...Total current ...	$11,506,636	$8,139,747
...s payable	5,500,000	5,500,000
...n stock --	3,185,513	3,180,304
...ained earnings	6,129,726	6,189,167
Total	$28,421,888	$25,007,219
...current assets	$9,154,022	$9,251,237
...ang. com. sh.	$15.26	$17.68
...preciation	$4,715,919	$3,990,824

...(1961, 695,785) $1 par shs. ‖Lower ...ade or mkt.

Term Loan: Outstanding, Dec. 31, 1962, $5,... ...% notes payable each Oct. 1, 1964-...; 1967-70, $115,000. Proceeds for re... outstanding long term debt and for ex...sion.

Company may not pay cash dividends in ...ess of 50% of net income after Dec. 31, ...s plus $1,000,000. Company agrees to main... net working capital at not less than ...,000. At Dec. 31, 1962, $244,260 of earned ...rplus was not so restricted.

Capital Stock: 1. Mohawk Rubber Co. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, ...,031 shares; reserved for options, 32,718 ...ares; par $1.

Par changed from no par to $1 Mar. 3, 1958 ...par for share; $1 shares split 2-for-1 Dec. ...1959 and 6-for-5 Dec. 22, 1961.

VOTING RIGHTS—Has one vote per share ...th right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive ...hts under Ohio law.

CASH DIVIDENDS PAID—

On $100 par shares:					
1914---	$3.00	1915-18	$4.00	1917---	$14.00
1918-19	10.00	1920---	11.50	1921---	2.00
1922	Nil				
On no par shares:					
1923-38	Nil	1939---	1.50	1939-41	Nil
1942---	0.50	1943-45	1.00	1946---	2.00
1947-48	1.00	1949---	1.25	1951-53	2.00
1954---	1.75	1954---	0.50	1955---	0.25
1956-57	1.00	1958---	0.25		
On $1 par shares:					
1958---	0.60	1959---	1.05		
On $1 par shares (after 2-for-1 split):					
1959---	0.25	1960---	1.00	1961---	0.75
On $1 par shares (after 6-for-5 split):					
1961---	0.20	1962---	1.20	‖1963---	0.20

‖To Apr. 1.

STOCK DIVIDENDS—Apr. 1, 1915, 50%; Jan. 1, 1916, 100%; Apr. 1, 1917, 100%; Dec., 1917, 8⅓%; Apr. 1, 1918, 20%; July, 1918, 25%; Dec., 1918, 10%; July, 1919, 10%; Jan., 1920, 10%; Dec. 15, 1923, 200%; May 20, 1929, 12½; Aug. 20, 1929, 12½; Dec. 23, 1937, 20%; Dec. 20, 1946, 20%; Dec. 30, 1950, 5%.

OFFERED—(12,244 shares) at $21.50 a share (proceeds to company, $23 a share) on May 28, 1958 by Kidder, Peabody & Co., New York. Proceeds for general funds.

(15,000 shares) at $63 a share (proceeds to company $61.16) on June 2, 1959 by Kidder, Peabody & Co., New York. Proceeds for new equipment.

TRANSFER AGENT—First National Bank, Akron and United States Trust Co., New York.

DIVIDEND DISBURSING AGENT—First National Bank, Akron.

REGISTRAR—First National Bank, Akron, Ohio and Morgan Guaranty Trust Co., New York.

PRICE RANGE—	1962	‖1961	1960	‖1959	1958
High	45	42	37½	28	54
Low	20	37½	19	27¼	19¾

‖After stock split; before, 64-45.

‖After stock split; before, 47-18½.

Stock Options held by officers and employees at Dec. 31, 1962 on 29,114 shares at prices from $19.04 to $20.08 a share expire in Aug., 1971.

MOORE-HANDLEY, INC.

History: Incorporated under Alabama laws Oct. 30, 1946 as Moore-Handley Hardware Co. to acquire business and certain assets of Moore-Handley Hardware Co. Business established in 1882. Present name adopted Feb. 25, 1961.

Business: Wholesale hardware, electrical, industrial, mine building and plumbing supplies and fixtures, machine tools, electrical appliances, radio, television, and other general merchandise. Also manufactures interchangeable truck bodies under the tradename "Morhaul".

Property: Leased properties at Birmingham, Ala., include 11 main buildings containing 564,000 sq. ft. of floor area. Lease runs to 1966 at annual rental of $100,000 plus taxes, insurance, etc. Company owns 42,000 sq. ft. of adjacent unimproved land.

Divisions in Nashville, Tenn. and Mobile, Ala. have floor area of 117,000 sq. ft. and 164,000 sq. ft. respectively.

Division at Chattanooga, Tenn., has floor space of 21,000 sq. ft. and Atlanta, Ga., 42,000 sq. ft.

Division at Memphis, Tenn. has 82,625 sq. ft. and Huntsville, Ala., 43,260 sq. ft.

Subsidiaries: Morhand Small Business Investment Co.; Moore-Handley of Fla., Inc., Pensacola; Bailey-Milam Corp., Miami, Fla.

Officers: W. W. French, Jr., Pres.; A. V. Davies, W. P. Wilson, Vice-Pres.; S. H. Johnson, Jr., Vice-Pres. and Sec.; R. H. Childers, Treas.; Otto Schuel, Asst. Sec. and Asst. Treas.

Directors: R. H. Daniel, L. D. Gardner, Jr., W. J. Rushton, W. W. French, Jr., J. C. Smith, J. A. Hand.

Auditors: Ernst & Ernst.

Counsel: Cabaniss & Johnston, Birmingham.

Annual Meeting: Last Tuesday in Feb.

No. of Stockholders: Dec. 31, 1962, [illegible].

No. of Employees: Dec. 31, 1962, 733.

Office: 27 S. 20th St., Birmingham, Ala.

Income Account, years ended Dec. 31:

	[illegible]	1961
Net sales	[illegible]	$34,725,965
Cost of sales	24,467,550	[illegible]
Selling, etc. exp.	6,[illegible]	5,236,091
Operating profit	1,[illegible]	1,175,536
Other income	10,[illegible]	11,596
Total income	1,[illegible]	1,287,132
Interest	[illegible]	37,942
Employees trust	[illegible]	78,343
Other deductions	16,[illegible]	12,563
Fed. income tax	593,[illegible]	588,000
State income tax	19,[illegible]	18,000
Net profit	$[illegible]	550,801
Earn. suppl. 1-1	6,[illegible]	6,141,266
5% pfd. divs.	[illegible]	1,599
Common divs.	312,[illegible]	312,546
Earn. surp. 12-31	6,9[illegible]	6,686,525
Earn., com. share	[illegible]	$1.07
No. of com. shares	520,[illegible]	520,910

(After $127,[illegible] (1961, $366,[illegible]) deprec. and amort. ‖Consol. incl. majority-owned subs., except Morhand Small Business Invest. Co.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1962---	35,[illegible]	456,971	520,910	0.88
1961---	40,734,[illegible]	549,129	520,910	1.07
1960---	29,494,259	579,031	520,910	1.03
1959---	41,[illegible],904	595,589	520,910	1.03
1958---	42,272,941	711,280	520,910	1.25

Balance Sheet, as of Dec. 31:

Assets.	1962	1961
Cash	$926,196	$633,349
Receivables, net	4,912,005	4,092,727
‖Inventories	7,172,921	6,234,721
Prepayments	153,610	138,903
Total current	$13,195,032	$11,299,700
‖Net bldgs., etc.	867,501	716,788
Land	234,314	109,126
Invest. in subs.	151,090	203,463
Other assets	124,214	150,838
Total	$14,593,731	$12,461,916
Liabilities:		
Notes payable	$425,000	
Accounts payable	3,592,187	$1,962,283
Trade accept.	1,038,645	1,186,912
Accruals, etc.	233,563	179,782
Empl. prof. shar.	55,269	73,883
General taxes	147,114	107,801
Income taxes	401,563	465,728
Total current	$5,894,343	$3,976,389
Common stk. ($1)	520,910	520,910
Capital surplus	1,277,792	1,277,792
Earned surplus	6,900,685	6,686,825
Total	$14,593,734	$12,461,916
Net current assets	$7,300,689	$7,323,311
Net tang. com. sh.	$16.70	$16.29
‖Depr. & amort.	$1,332,592	$1,308,007

‖Lower cost (fifo) or mkt. ‖Consolidated.

Capital Stock: 1. Moore-Handley, Inc. common; par $1:

AUTHORIZED—$75,000 shares; outstanding, 520,910; par $1.

VOTING RIGHTS—Has one vote per share.

PREEMPTIVE RIGHTS—None.

DIVIDENDS—

1947---	$0.50	1948-49	$0.70	1950-52	$0.80
1953-54	0.45	1955---	0.40	1956-57	0.60
1958---	0.45	1959-62	0.60	‖1963---	0.15

‖To Feb. 2.

OFFERED—($5,000 shares) at $7.50 per share on Mar. 12, 1947 by syndicate headed by Equitable Securities Corp., Nashville, Paul H. Davis & Co., Chicago, and Johnston, Lemon & Co., Washington.

(350,000) shares at $9 per share on Apr. 27, 1949 by a syndicate headed by Hornblower & Weeks, New York; Paul H. Davis & Co., Chicago, and Johnston, Lemon & Co., Washington. Offering did not represent company financing.

PRICE RANGE—	1962	1961	1960	1959	1958
High	12	11½	12¼	14⅜	7⅞
Low	8⅝	7½	6⅛	7½	5½

Transfer Agent: First National Bank, Birmingham, Ala.

Registrar and Dividend Disbursing Agent: Company.

MOORE PRODUCTS CO.

History: Incorporated in Pennsylvania Dec. 16, 1953; established in 1940.

Business: Produces industrial instruments to measure and control temperature, pressure, density, flow of liquid or gas, etc.; also makes pneumatic comparator gages; also manufactures and markets of devices using pure pneumatics.

Property: Owns 125,000 sq. ft. plant on 10-acre site in Lower Gwynedd Township, Pa., leases building with floor space of 10,000 sq. ft. and 5,500 sq. ft. warehouse.

Subsidiary (wholly-owned): Moore Instrument Co. Ltd.

Officers and Directors: C. B. Moore, Pres.; W. G. Trumbower, Robert Buhner, Vice-Pres.; J. J. Fitzgerald, Treas.; C. H. Welles, 3rd, Sec.; G. E. Nicholas, L. M. Stevens, C. H. Thompson.

General Counsel: C. H. Welles, 3rd.

Purchasing Agent: A. J. Caron.

Auditors: Lawrence E. Brown & Co.

Annual Meeting: Third Wednesday in May.

No. of Stockholders: Nov. 21, 1962; Preferred [illegible] common 1,166.

No. of Employees: Jan. 15, 1963, 381.

Office: H & Lycoming Sts., Philadelphia 24, Pa.

Unfilled Orders:	1962	1961
As of Dec. 31	$1,427,746	$968,642

Income Account, years ended Dec. 31:

	1962	1961
Sales & revenues	$6,276,180	$3,763,810
Cost of sales	3,012,287	2,750,894
Selling, etc., exp.	2,175,972	1,999,938
Operating profit	1,087,920	1,012,978
Other income	62,440	64,380
Total income	1,150,360	1,077,358
Other deduction	26,115	6,287
Fed. income tax	553,860	528,499
State income tax	45,875	44,080
Net income	524,510	498,492
Retain. earn., 1-1	2,337,439	2,033,470
5% pfd. divs.	8,798	8,798
Common div.	222,905	185,725
Retain. earn., 12-31	2,630,247	2,337,439
Earn., pfd. share	$14.91	$14.17
Earn., com. share	1.39	1.32
No. of pfd. shares	35,190	35,190
No. of com. shares	371,509	371,509

Sales and Earnings, years to Dec. 31 (in $):

	Sales & Rev.	Net Profit	No. of Shares	Earn. on Com.
1962---	5,901,106	593,675	371,436	1.59
1961---	4,480,209	363,156	371,488	0.95
1958---	3,654,705	219,958	371,486	0.57

Balance Sheet, as of Dec. 31:

Assets:	1962	1961
Cash	$141,031	$84,043
U. S. Govt. secur.	1,611,534	1,734,224
Receivables	913,470	848,362
‖Inventories, net	1,615,139	1,504,542
Prepayments	29,875	15,909
Total current	$4,311,047	$4,187,080
‖Net property	840,199	890,035
Other assets	103	104
Patents, etc., net	9,483	9,858
Deferred charges	466,453	93,274
Invest. in sub.	9,568	9,568
Total	$5,636,855	$5,189,917
Liabilities:		
Accounts payable	$72,141	$93,618
Accruals, etc.	350,250	216,999
Income taxes	349,417	309,697
Total current	$771,807	$620,314
Def. invest. credit	2,638	
5% pfd. stk. ($5)	175,950	175,950
Common stk. ($1)	371,521	371,521
Paid-in surplus	1,684,825	1,684,823
Retained earnings	2,630,247	2,337,439
Total	4,862,542	4,569,735
‖Reacq. stock	132	132
Net stk. & surp.	4,862,410	4,569,603
Total	$5,636,855	$5,189,917
Net current assets	$3,539,240	$3,566,766
Net tang. com. sh.	$12.59	$11.80
‖Depr. & amort.	$797,138	$705,893

‖Lower cost or mkt. ‖12 com. shs. at cost.

Capital Stock: 1. Moore Products Co. 5% cumulative convertible preferred; par $5. Authorized, 65,000 shs.; outstanding, 35,190 shs. C. B. Moore holds 34,578 shs. (98.26%).

Has preference for assets and cum. divs. of 25 cents per share annually, payable in cash or in preferred shares, provided in same year a stock div. is declared on common and then at no higher rate than the common stock div. and at a rate not more than 5% in stock and cash combined (taking preferred at value of $5 per sh.). In event preferred dividends are not paid for first 3 quarters in any year, no dividends may be paid on common until full cumulative divs. are paid on preferred. In voluntary liquidation, entitled to $5.25 per sh. and divs. Has 5 votes per sh. No preemptive rights. Convertible into common prior to redemption on basis of 2½ pfd. shs. for each common sh., subject to anti-dilution provisions.

Transfer Agent: Company.

2. Moore Products Co. common; par $1. Authorized, 750,000 shs.; outstanding, Dec. 31, 1962, 371,509 shs.; in treasury, 12 shs.

One vote per share, no preemptive rights.

Dividends:

1957---	$0.15	‖1958---	$0.30	1959--	$0.32½
1960---	0.40	1961---	0.50	1962---	0.60
‖1963---	0.15				

‖Also 2% in stock.

‖To Mar. 3.

Transfer and Dividend Disbursing Agent: Girard Trust Corn Exchange Bank, Philadelphia.

Offered (100,000 shs.) at $11.25 per share (proceeds to company, $10.23 per sh.) on June 5, 1957 by Hemphill, Noyes & Co., New York; Parrish & Co., Philadelphia, and associates, for capital improvements and other purposes.

Price Range:	1962	1961	1960	1959	1958
High	24	39	21½	12½	12
Low	15½	17½	10½	9⅛	9¼

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Mohawk 1964

MICHELBERRY'S FOOD PRODUCTS CO.

History: Incorporated in Delaware Oct. 25, [illegible] successor to company of same name [illegible] incorporated Feb. 1, 1920, in Illinois). Outgrowth of business originally founded in 1893. [illegible] 1958, acquired Independent Biscuit Co. [illegible] Fancy Frozen Foods, Inc. [illegible] acquired Mama Cookie Bakery, Los [illegible] and Lenell Bros. Bakery Co., Chicago. [illegible] On Jan. 9, 1961, acquired Falls City Meat Co. In 1963, acquired Walter Johnson Cookie Co., Tulsa, Okla., and Emerson Meat Co., Houston, Tex.

Business: Company manufactures pork sausage, meat products, frozen foods, butcher and delicatessen specialties and conducts a store door delivery system in Chicago area, Detroit area, St. Louis area, Kansas City area, central Illinois and Cincinnati area.

Also manufactures cookies known as "Mama's Cookies" and "Lenbro Cookies" distributed in 40 states through jobbers.

Property: Properties include a brick plant, garage and other real estate in Chicago and Cicero, Ill., plants at St. Louis, Bushnell and Nashville, Ill.; Kansas City, Kans.; Dearborn, Mich.; Milwaukee, Wis.; Cincinnati, O.; Detroit, Mich.; Los Angeles, Calif.; Falls City, Nev.; Houston, Tex. and Tulsa, Okla. Owns fleet of 175 trucks and cars.

Subsidiaries (wholly-owned): Mama Cookie Bakeries, Inc. (Del., Mich. and Calif.); Michelberry Sausage Co., O. J. Stelling, Inc., Hartlow Packing Co., Laclede Packaging Co., H. F. Busch Co., Fancy Frozen Foods, Inc., Independent Biscuit Co., Falls City Meat Co., Lenell Bros. Baking Co., Emerson Meat Co. and Walter Johnson Cookie Co.

Officers: G. E. Duwe, Chmn.; R. R. Laidley, Pres.; A. Korngiebel, Sec. and Treas.

Directors: G. E. Duwe, Chmn.; J. F. Hazelton, Jr., R. G. Knight, A. D. Farwell, R. R. Laidley, H. E. Muzzy, H. F. Krimendahl.

Annual Meeting: Second Thursday in March.

Auditors: Arthur Young & Co.

No. of Stockholders: Dec. 31, 1963, 1,240.

No. of Employees: Dec. 31, 1963, 910.

Executive Office: 861 W. 44th Place, Chicago.

Consolidated Income Account:

	52 weeks to Dec. 28,'63	Dec. 29,'62
Net sales	$43,412,423	$32,676,276
Other income, net	74,080	45,134
Total	33,486,503	32,721,410
Cost of sales	28,091,577	27,737,816
Selling, etc., exp.	3,843,123	3,558,467
Depreciation	405,218	413,000
Interest	17,866	20,202
Fed. income tax	551,000	453,000
Net profit	577,721	328,925
Gain prop. disp., net		172,465
Total	577,721	701,390
Prev. retain. earn.	4,372,747	3,991,129
Common divs.	319,135	319,772
Retained earn.	4,631,333	4,372,747
Earn., com. share	$1.81	[1]$1.65
Cash flow, com. sh.	3.08	2.94
No. of com. shares	319,525	320,635

[1] 19 incl. net gain prop. sold.

Sales and Earnings, 52 weeks ended (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
12-30-61	31,240,643	418,657	319,560	1.31
12-31-60	27,103,116	544,372	315,810	1.72
1-1-60	25,543,010	737,080	314,370	2.34
1-2-59	23,320,659	534,590	309,760	1.73
12-27-57	18,749,930	383,338	275,791	1.39
12-28-56	16,061,350	336,642	280,466	1.20
12-31-55	16,903,236	440,405	279,396	1.58
1-1-55	18,581,437	491,162	279,286	1.76
1-2-54	21,936,150	473,137	277,868	1.70
12-27-53	20,351,421	425,338	283,556	1.50

[1] 13 weeks period.

Consolidated Balance Sheet:

Assets:	Dec. 28,'63	Dec. 29,'62
Cash & deposits	$1,397,777	$1,774,934
Receivables, net	1,367,971	1,287,060
Inventory	1,082,696	916,436
Prepayments	67,419	60,841
Total current	$3,915,863	$4,039,271
Net property	2,965,312	2,473,269
Inv. & adv. sub.	108,800	
Life ins., cash val.	97,188	85,537
Mtge. notes rec.	44,122	87,012
Total	$7,131,285	$6,685,109
Liabilities:		
Accounts payable	$636,120	$479,450
Fed. income tax	555,610	515,314
Accruals	183,907	165,628
Debt due	66,000	56,000
Total current	$1,441,637	$1,216,392
Notes payable	433,529	448,000
Com. stock ($1)	329,451	328,531
Capital surplus	450,209	439,359
Retained earnings	4,631,333	4,372,747
Total	5,410,993	5,140,637
Treasury stock	154,874	119,940
Net stk. & surp.	5,256,119	5,020,717
Total	$7,131,285	$6,685,109

Net current assets	$2,474,226	$2,822,879
Net tang. com. sh.	$16.45	$15.66
[1]Depreciation	$3,761,350	$3,426,073

[2] Lower cost or mkt. [3] 9,926 (1962, 7,916) shs. at cost.

Term Loan: Outstanding, Dec. 28 1963, $416,000 4% notes payable $50,000 annually.

Also outstanding, $11,570 (5% current portion) notes payable $10,440 annually.

Capital Stock: L. Michelberry's Food Products Co., common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, 318,623 shares; in treasury, 9,902 shares; reserved for options, 18,000 shares; Dec. 31.

VOTING RIGHTS—Has sole voting power (one vote per share).

PREEMPTIVE RIGHTS—None.

DIVIDENDS—(payments since 1931 follow):

1932	$0.60	1933-37	Nil	1938	$0.10
1939	0.15	1940	$0.20	1941	Nil
1942-43	0.25	1944	0.35	1945	0.15
1946	1.00	1947	0.75	1948	0.85
1949-52	0.90	1953-63	1.00	[1]1964	0.50

[1] To June 12.

PRICE RANGE—

	1963	1962	1961	1960	1959
High	20	13¾	19¾	19½	20
Low	17	10¾	15½	16	15½

Transfer Agent: Harris Trust & Savings Bank, Chicago.

Registrar: First National Bank, Chicago, Ill.

Dividend Disbursing Agent: Company.

Listed: On Midwest Stock Exchange.

Stock Options held by key employees at Dec. 28, 1963, on 12,200 shares at prices from $12.50 to $18 per share expire in 1969.

MOHAWK RUBBER CO.

History: Incorporated Jan. 8, 1913, in Ohio, and acquired the plant formerly of the Stein Double Cushion Tire Co., at Akron, Ohio. Company was reorganized under a plan effective Apr. 1, 1938 (for details see Moody's 1938 Industrial Manual).

Business: Manufactures rubber automobile passenger and truck tires and a complete line of tire repair materials, recapping stock and tread rubber.

Properties: Operates plants at Akron, O. containing 178,000 sq. ft. of floor space and West Helena, Ark. with 265,000 sq. ft. of floor space. Total daily capacity, 10,500 tires.

Subsidiary: Mohawk Corp., Stockton, Cal. (100% owned) operates tread rubber plant in Stockton, Cal.

Officers: R. E. Bloch, Chmn.; H. M. Fawcett, Pres.; W. T. Ernst, Vice-Pres., Sec. and Treas.; L. W. Angst., T. C. Johnson, Vice-Pres.; P. J. Kruder, Comptr.; J. W. Keener, Jr., Asst. Treas.

Directors: H. L. Williams, C. W. Enyart, R. E. Bloch, H. M. Fawcett, N. E. Ries, J. F. Cook, W. T. Ernst.

Purchasing Agent: J. R. Brock.

Auditors: Ernst & Ernst.

General Counsel: Brouse, McDowell, May, Bierce & Wortman.

Annual Meeting: First Monday in March.

No. of Stockholders: Dec. 31, 1963, 2,913.

No. of Employees: Dec. 31, 1963, 1,200.

Office: Akron, O.

Consolidated Income Account, years ended Dec. 31:

	1963	1962
Net sales	$37,678,339	$37,574,624
Cost of sales	28,806,220	29,353,551
Selling, etc., exp.	5,856,832	5,901,105
Net earnings	3,015,307	2,319,968
Other income	113,781	120,225
Total income	3,129,088	2,440,193
Interest, etc.	613,250	562,734
Fed. income taxes	1,207,000	833,280
Def. Fed. inc. tax	28,000	39,720
[1]Net profit	1,280,838	1,004,459
Retain. earn., 1-1	6,429,726	6,188,467
Dividends (cash)	764,230	763,200
Retain. earn., 12-31	[2]6,946,334	6,429,726
Earn., com. share	$2.01	$1.58
Cash flow, com. sh.	3.62	2.95
No. of com. shares	637,135	636,031

[1] After $955,910 (1962, $874,078) deprec. [2] Including $753,163 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1961	36,379,151	1,751,422	635,783	2.75
1960	32,326,081	1,067,882	515,789	2.07
1959	31,656,632	1,219,317	492,070	2.48
1958	25,513,203	1,065,375	224,535	4.74
1957	20,842,426	563,180	144,533	3.90
1956	15,126,701	370,525	141,638	2.62
1955	14,330,371	321,068	141,638	2.27
1954	8,964,762	d 646,522	141,638	d 4.56
1953	16,263,781	413,321	141,638	2.92
1952	19,189,795	683,658	141,638	4.83

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1960, 1.73; 1959, 1.97; 1958, 1.88; 1957, 1.19; 1956, 0.78; 1955, 0.68; 1954, d 1.37; 1953, 0.87; 1952, 1.45; 1951, 2.27.

Shares: 1960, 618,792; 1959, 619,959; 1958, 565,828; 1957, 473,476; 1956-51, 473,283.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$1,887,343	$899,360
[1]Inventory	6,342,817	8,389,524
Receivables, net	11,324,921	11,041,636
Prepayments	105,147	131,038
Total current	$19,610,228	$20,461,558
[2]Net property	7,343,245	7,724,795
Deposits, etc.	$2,007	124,527
Unamor. debt exp.	185,117	
Life ins., cash val.	112,676	111,000
Total	$27,303,343	$28,421,880
Liabilities:		
Notes payable		$4,000,000
Accts. payable	$3,083,847	5,063,280
Fed. income tax	849,543	603,103
Accruals	[illegible]	2,638,253
Total current	$5,581,863	$11,306,636
Deb. 4½s, 1983	4,000,000	
Notes payable	5,500,000	5,500,000
Def. Fed. inc. tax	67,683	
[3]Common stock	5,207,463	5,145,518
Retained earnings	6,946,334	6,429,726
Total	$27,303,343	$28,421,880
Net current assets	$14,028,365	$9,154,922
Net tang. com. sh.	$19.08	$18.26
[1]Depreciation	$5,500,403	$4,745,919

[2] 637,135 (1962, 636,031) $1 par shs. [3] Lower cost (fifo) or mkt.

Long Term Debt: L. Mohawk Rubber Co. convertible subordinated debenture 4½s, due 1983:

Rating—Ba

AUTHORIZED—$4,000,000; to be outstanding, $4,000,000.

DATED—Aug. 15, 1963.

MATURITY—Aug. 15, 1983.

INTEREST—F&A15 at office of trustee.

TRUSTEE — United States Trust Co., New York.

DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and multiples thereof. C & R interchangeable on payment of $2 for each debenture issued on such exchange; however, registered debentures initially issued are exchangeable once without charge for coupon debentures.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to each Aug. 14 incl. as follows:

1964	104½	1965	104⅛	1966	103¾
1967	103⅝	1968	103	1969	102¾
1970	102⅝	1971	102⅛	1972	102
1973	101¾	1974	101⅝	1975	101⅛
1976	101	1977	100¾	1978	100⅝
1979	100¼	1983	100		

Also callable on like notice at 100 for sinking fund (which see).

SINKING FUND—Cash (or debentures) to redeem at par on each Aug. 15, 1973-82 debentures equal to 7% of amount outstanding on June 30, 1973, plus similar optional payments. Payments are estimated to retire 70% of issue before maturity.

CONVERTIBLE—Into common on or before maturity (if called, on or before redemption date) at $31.25 per share; no adjustment made for interest or dividends; cash paid in lieu of fractional shares or, if not so paid, holder may either buy an additional fractional interest to make up a full share or sell such fractional interest. Conversion privilege protected against dilution.

SECURITY — Not secured; subordinated to senior debt. Company or any subsidiary may not create funded debt, or part with control of any stock of any subsidiary which holds funded debt of company or a subsidiary, and company will not dispose of funded debt of a subsidiary or permit any subsidiary to dispose of any funded debt of company or a subsidiary unless, thereafter, consolidated net tangible assets would equal at least 175% of consolidated funded debt.

DIVIDEND RESTRICTION — Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1962 plus $1,500,000 and net proceeds from stock sold after Dec. 31, 1962 (including principal amount of debentures or any other convertible debt converted, decreased by cash paid in lieu of fractional shares).

RIGHTS ON DEFAULT—Trustee or 25% of debentures may declare principal due and payable (30 days' grace for payment of interest or sinking fund installment).

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE — Proceeds to retire short-term bank loans and for working capital.

OFFERED—($4,000,000) at 100 (proceeds to company, 97½) on Aug. 22, 1963 by Kidder, Peabody & Co., Inc., New York, and associates.

PRICE RANGE—1963, 102-98.

Term Loan: Outstanding, Dec. 31, 1963, $5,500,000 5.85% notes. Under amended restrictions company is required (1) to make a principal payment of $350,000 in 1966, annual payments of $445,000 in years 1967-75 and final payment of $1,145,000 in 1976; (2) to maintain consolidated working capital of at least $11,000,000; (3) to restrict payment of cash dividends to 60% of consolidated net earnings after Dec. 31, 1962 plus $750,000. At Dec. 31, 1963, $753,163 of earned surplus was not so restricted.

Capital Stock: L. Mohawk Rubber Co. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, 637,135 shares; reserved for options, 31,818 shares; par $1.

-MOHAWK 1964 (2) 1990A

Par changed from no par to $1 Mar. 3, 1958 share for share; $1 shares split 2-for-1 Dec. 19, 1959 and 6-for-5 Dec. 22, 1961.
VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.
PREEMPTIVE RIGHTS — Has preemptive rights under Ohio law.
CASH DIVIDENDS PAID—

On $100 par shares:					
1914	$3.00	1915-18	$6.00	1917	$19.00
1918-19	10.00	1920	11.50	1921	2.50
1922	Nil				
On no par shares:					
1922-28	Nil	1929	1.50	1930-41	Nil
1942	0.50	1943-45	1.00	1946	2.00
1947-49	1.00	1950	1.25	1951-52	2.00
1953	1.75	1954	0.50	1955	0.25
1956-57	1.00	1958	0.25		
On $1 par shares:					
1958	0.80	1959	1.05		
On $1 par shares (after 2-for-1 split):					
1959	0.25	1960	1.00	1961	0.75
On $1 par shares (after 6-for-5 split):					
1961	0.30	1962-63	1.20	[1]1964	0.30

[1]To Mar. 27.
STOCK DIVIDENDS—Apr. 1, 1913, 50%; Jan. 1, 1916, 100%; Apr. 1, 1917, 100%; Dec., 1917, 8⅓%; Apr. 1, 1918, 20%; July, 1918, 25%; Dec., 1918, 10%; July, 1919, 10%; Jan., 1920, 10%; Dec. 15, 1928, 300%; May 20, 1929, 1%; Aug. 20, 1929, 1%; Dec. 23, 1957, 2%; Dec. 20, 1958, 30%; Dec. 30, 1960, 5%.
OFFERED—(12,244 shares) at $24.50 a share (proceeds to company, $23 a share) on May 28, 1958 by Kidder, Peabody & Co., New York. Proceeds for general funds.
(15,000 shares) at $63 a share (proceeds to company $61.16) on June 2, 1959 by Kidder, Peabody & Co., New York. Proceeds for new equipment.
TRANSFER AGENT—First National Bank, Akron and United States Trust Co., New York.
DIVIDEND DISBURSING AGENT—First National Bank, Akron.
REGISTRAR—First National Bank, Akron, Ohio and Morgan Guaranty Trust Co., New York.

PRICE RANGE—	1963	1962[1]	1961	1960[1]	1959
High	30½	45	42	37½	28
Low	24	20	37½	19	27¼

[1]After stock split; before, 64-45.
[2]After stock split; before, 47-18½.
Stock Options held by officers and employees at Dec. 31, 1963 on 29,464 shares at prices from $19.04 to $22.86 a share expire in Aug., 1971.

NATIONAL CASTINGS CO.

History: Incorporated in Ohio, Dec. 1, 1923, as National Malleable & Steel Castings Co.; present name adopted July 1, 1961.
Company was successor to National Malleable Castings Co., which was outgrowth of group of companies the first which was organized in 1868.
In 1952 acquired Capitol Foundry Co., and subsidiary Arizona Iron Works.
On Dec. 31, 1953, Rotary Steel Casting Co., a subsidiary, and Arizona Iron Works, a subsidiary of Capitol Foundry Co., were liquidated. Capitol Foundry Co dissolved July 31, 1959.
In June, 1960, acquired Hill Hubbell Co.
Business: Company manufactures malleable iron and steel castings, pearlitic malleable castings, anchor chains, steam shovel chains, couplers, draft gears, journal boxes, side frames, bolsters and other railroad specialties. For automotive industry company produces malleable iron, steel and special alloy materials used on passenger cars, trucks and tractors; also produces various types of castings sold in other fields on buyer's specifications. Produces grinding balls, liner plates, and miscellaneous iron and steel castings for copper mining industry.
Properties: Malleable casting plants located at Chicago (Cicero), Ill.; steel casting plants at Phoenix, Ariz., Sharon, Pa., Melrose Park and Chicago (Cicero), Ill.
Other plants at Grand Rapids, Mich.; Girard and Lorain, O., Hammond, Ind., and Denver, Colo. Technical center is located at Cleveland.
In early 1964 Cleveland foundry was sold.
Subsidiaries (wholly-owned): National Castings Co. of Canada Ltd., organized in 1954; handles Canadian Sales; Capitol Foundry Corp.; Hill Hubbell Co
Officers: Carter Kissell, Pres.; H. W. Brandt, K. L. Selby, M. W. Stevenson, B. C. Yearley, Vice-Pres.; A. E. Field, Vice-Pres. and Sec.; R. G. Parks, Vice-Pres. and Treas.
Directors: R. W. Cornell, H. J. Nave, J. W. Barker, Carter Kissell, J. C. Hodge, S. C. Wasson, A. G. Patterson, F. H. Beam, W. N. Harris.
General Counsel: Jones, Day, Cockley & Reavis, Cleveland.
Auditors: Arthur Andersen & Co.
Annual Meeting: Wednesday following fourth Tuesday in March.
No. of Stockholders: Dec. 31, 1963, 3,089.
No. of Employees: Dec. 1962, 4,100
Office: 10600 Quincy Ave. Cleveland 6, O

Consolidated Income Account, years ended Dec. 31:

	1963	1962
Net sales	$68,265,893	$63,125,852
Cost of sales	61,342,427	57,331,466
Selling, etc., exp.	3,809,482	3,984,179
[2]Oper. profit	3,113,984	1,814,268
Other income, net	390,692	316,415
Total income	3,504,676	2,130,683
Interest	79,416	111,199
Fed. income tax	1,700,000	1,000,000
Net profit	1,725,260	1,019,484
Retain. earn., 1-1	15,772,076	15,340,933
Dividends (cash)	687,477	468,341
Dividends (stk.)	977,719	
[3]Loss, etc., prov.	3,250,000	120,000
Retain. earn., 12-31	[1]12,582,140	15,772,076
Earn., com. share	$2.62	[4]$1.63
Cash flow, com. sh.	4.60	[5]4.54
No. of com. shares	658,907	[6]624,454

[1]$1,780,000 not restricted. [2]Est. loss & exp. on term. certain oper. mov., etc., net of tax. [3]After $2,052,746 (1962, $2,077,084) deprec. [4]$1.55 on 655,741 shs. adj. for 5% stk. div. 12/63. [5]$4.32 adj. for stk. div.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1961	49,282,788	d 726,348	624,319	d 1.16
1960	58,687,560	1,314,250	622 659	2.11
1959	58,405,886	1,962,331	619,723	3.17
1958	44,769,976	90,578	617,888	0.15
1957	64,888,257	3,118,000	[3]561,716	[3]5.55
1956	65,232,815	3,826,169	[3]529,531	[3]7.23
1955	58,958,208	2,377,981	474,861	5.01
1954	37,616,245	327,238	474,861	0.69
1953	57,733,436	2,250,208	474,861	4.74
1952	54,304,394	2,463,407	474,861	5.19

[3]Excludes 26,477 shares and 56,173 shares issued as stock dividends Jan. 1957 and 1953, respectively including such shares earned per share amounted to $6.88 in 1956 and $5.05 in 1957.
Adjusted earns. & shs. for stk. splits & stk. divs.:
Earnings ($): 1962, 1.55; 1961, 1.10; 1960, 2.01; 1959, 3.02; 1958, 0.14; 1957, 4.81; 1956, 5.96; 1955, 3.75; 1954, 0.51; 1953, 3.35; 1952, 3.99.
Shares: 1962, 655,741; 1961, 655,534; 1960, 653,792; 1959, 650,709; 1958, 648,782; 1957, 648,782; 1956, 642,188; 1955-52, 633,343.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$4,654,546	$3,923,894
Ctf. of dep., etc.	1,939,502	
Receivables, net	7,565,877	6,429,332
[4]Inventories	8,702,795	10,969,319
Prepayments	423,738	788,761
Total current	$23,336,458	$22,111,338
Land	1,590,368	2,026,880
Buildings, etc.	15,042,316	19,385,094
Mchy., equip., etc.	19,820,658	25,445,041
Construction	279,260	477,478
Total	36,732,602	47,334,493
Depreciation	[4]20,340,309	25,550,095
Net property	16,392,293	21,781,398
Land (non-oper.)		33,502
[1]Mkt. secur.	177,750	177,750
Misc. invest., etc.	1,119,602	634,210
Other assets	[2]940,000	
Total	$41,966,103	$44,741,196
Liabilities:		
Accounts payable	$3,088,606	$3,100,754
Loans payable		800,000
Accr. payroll, etc.	1,760,610	1,657,873
Accrued taxes	876,260	868,943
Accr. income tax		107,142
Op. exp. res.	509,639	405,002
Other reserve	[1]660,272	
Total current	$6,895,407	$6,939,714
Empl. benefits pay.	750,000	
Notes payable	600,000	1,200,000
Def. Fed. inc. tax	1,535,000	2,280,000
[3]Common stock	10,786,681	10,222,635
Capital surplus	[3]8,816,875	8,356,721
Retained earnings	12,582,140	15,772,076
Total	$41,966,103	$44,741,196
Net current assets	$16,441,051	$15,171,622
Net tang. com. sh.	$48.85	[5]$34.96

[1]At cost, mkt.: 1963, $457,410; 1962, $451,013. [2]Lower aver. cost or mkt. [3]658,907 (1962, 624,454) no par shs. [4]After invest. credit. [5]Res. for closing exps. of Cleveland facility. [6]After cred. $24,603 on stk. options and $165,551 on stk. div. [7]Cleveland foundry & equip., at est. realizable value, pending sale. [8]$52.34 adj. for stk. div.
Term Loan: Outstanding, Dec. 31, 1963 $1,200,000 4¾% notes payable $400,000 annually to June 30, 1965. Proceeds to acquire assets of Hill Hubbell Co.
Company may not pay dividends or acquire stock in excess of consolidated net earnings after Dec. 31, 1959 plus $1,250,000; also agrees to maintain consolidated working capital of at least $10,000,000. At Dec. 31, 1963, $1,780,000 of retained earnings were not so restricted.
Capital Stock: [1] National Castings Co. stock; no par;
AUTHORIZED—1,000,000 shares; outstanding, Dec. 31, 1963, 658,907 shares; in treasury, 13,415 shares; reserved for options, $71,275 shares; no par.
Par changed from $50 in 1928, share for share.
PREEMPTIVE RIGHTS — Has preemptive rights
DIVIDEND RESTRICTIONS—See term loan above.

DIVIDENDS PAID—

1924-25	$1.00	1926-30	$2.00	1931	$0.25
1932	0.01	1933-34	nil	1935	0.15
1936-37	2.00	1938	nil	1939	0.15
1940-41	1.75	1942-45	1.00	1944	1.00
1945	0.45	1946	1.00	1947	0.75
1948-49	2.00	1950	3.00	1951	0.45
1952	3.00	1953	2.00	1954	4.00
1955	1.50	[1]1956-57	2.00	1958	1.25
1959-60	2.00	1961	0.50	1962	1.10
[2]1963	1.10	[2]1964	0.40		0.75

[1]Also stock dividends: 1956, 10%; 1957, 5%; 1958, 10%; 1963, 5%.
[2]To Mar. 12.
TRANSFER AGENTS — Morgan Guaranty Trust Co., New York, and company's office, Cleveland, O.
REGISTRARS—Bankers Trust Co., New York; Cleveland Trust Co., Cleveland, O.
DIVIDEND DISBURSING AGENT—Company.
LISTED—On New York Stock Exchange; unlisted trading on Midwest Stock Exchange.

PRICE RANGE—	1963	1962	1961	1960	1959
High	34⅜	29¾	33½	43	44
Low	20⅞	18⅜	23⅜	24½	28½

Stock Options held by officers and key employees, at Dec. 31, 1963 on 31,152 shares at prices from $24.75 to $38.31 per share expire to 1963-69

NAZARETH CEMENT CO.

History: Incorporated in Pennsylvania, March 5, 1918, as successor in reorganization to a corporation of like name organized in 1906.
Business: Manufacturers portland cement and markets the product under the trade name of Nazareth Portland Cement, Nazco Hi-Early Strength Portland Cement and Nazareth Mortar Cement.
Property: Plant located at Nazareth, Pa., with annual capacity of 2,400,000 barrels. Sales offices at New York, Philadelphia and Nazareth.
Officers: J. M. Hincks, Chairman; M. P. Warner, Pres.; M. M. Jones, Exec. Vice-Pres.; E. C. Morgan Vice-Pres. (Oper.); E. E. Wilken, Vice-Pres. (Prod.); Scott Brobston, Treas.; M. W. Goss, Sec.; I. E. Hawk, Asst. Sec.
Directors: S. S. Blake, Joseph Brobston, R. W. Hincks, J. S. Beattie, Jr., R. L. Fisher, M. W. Goss, J. M. Hincks, M. M. Jones, H. A. Reichenbach, S. W. Noyes, Jr., M. P. Warner.
Auditors: Peat, Marwick, Mitchell & Co.
General Counsel: George F. Coffin, Jr.
Purchasing Agent: John J. Fox.
Annual Meeting: First Monday in April.
No. of Stockholders: Dec. 31, 1963, 1,292.
No. of Employees: Dec. 31, 1963, 357.
Office: Nazareth, Pa.

Output (bbls):	1963	1962
Production	2,017,256	1,588,493
Shipments	1,959,365	2,070,334

Income Account, years ended Dec. 31:

	1963	1962
[1]Net billings	$7,805,454	$9,401,377
[2]Cost of billings	6,242,953	6,924,240
Selling, etc. exp.	1,061,167	1,607,744
Oth. deduct., net	cr 19,113	3,270
Income taxes	265,000	740,000
Replacement res.	75,000	225,000
[1]Net income	271,347	651,677
Unap. ret. earn., 1-1	4,843,979	8,233,973
Common divs.	154,740	273,438
Prov., tax liab.		1,737,775
Unap. ret. earn., 12-31	4,962,534	4,843,978
Earn., com. share	$0.83	$1.86
Cash flow, com. sh.	0.99	2.08
No. of com. shares	309,498	309,498

[1]After $352,982 (1962, $338,013) deprec. [2]Incl. freight: 1963, $1,576,795; 1962, $1,710,707.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1961	8,011,818	458,255	309,498	1.48
1960	7,851,779	631,695	309,498	2.03
1959	7,962,640	1,141,044	309,498	3.68
1958	7,869,070	992,195	309,498	3.21
1957	8,309,205	1,259,458	309,498	4.07
1956	8,979,228	1,154,268	309,498	3.69
1955	9,065,515	1,129,947	309,498	3.65

Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$668,127	$1,070,928
Mkt. securities	450,833	852,542
Receivables, net	595,117	445,178
[1]Inventories	1,453,364	1,358,631
Prepayments	190,381	177,896
Total current	$3,378,332	$4,004,356
[2]Net property	7,572,220	7,664,285
Invest. in subsid.		150,000
Deferred expenses	47,157	35,580
Total	$10,997,759	$11,857,200
Liabilities:		
Accounts payable	$663,215	$128,548
Accruals	182,955	109,000
Income tax	967,075	1,823,636
Total current	$1,213,245	$2,061,244
Common stk. ($10)	3,094,980	3,094,980
Unap. earn. surp.	4,962,534	4,843,978
Replacement res.	1,725,000	1,650,000
Total	$10,997,759	$11,657,200
Net current assets	$2,165,087	$1,942,112
Net tang. com. sh.	$31.61	$30.99
[2]Depreciation	$8,606,303	$8,206,000

[1]Lower aver. cost or mkt.

Annual Meeting: Second Friday in Dec.
No. of Stockholders: Nov. 17, 1959, 862.
No. of Employees: Feb. 29, 1960, 88.
Office: 400 South Warminster Rd., Hatboro, Pa.

Consolidated Sales & Earnings, yrs. to Sept. 30 (in $—from report to American Stock Exchange):

	Net Billings	Net Income	No. of Com. Shs.	[1]Common Earn.	[2]Pd.
'59	2,073,714	90,435	------	0.18	----
'58	1,540,887	14,276	------	0.03	10%
'57	2,228,420	66,232	------	0.18	10%
'56	1,185,307	19,964	------	0.07	10%
'55	592,945	8,962	------	0.03	----

[1]Based on aver. shs. adj. for splits & stk. div.
[2]In stk.

Condensed Consolidated Balance Sheet:

Assets:	[3]Sept. 30,'59	[4]Mar. 31,'59
Cash	$149,943	$79,475
U. S. Treas. bills	216,705	----------
Receivables	530,312	472,940
Inventories	301,041	124,670
Prepayments, etc.	11,180	16,135
Total current	$1,239,181	$693,529
Net property	118,863	112,726
Patents, net	2,215	2,296
Debt disc. & exp.	3,598	4,428
Total	$1,363,857	$812,979
Liabilities:		
Notes, etc., pay.	$103,400	$3,821
Accts. pay., etc.	262,398	356,890
Income, etc., taxes	107,397	44,177
Total current	$473,195	$404,888
Debt	114,500	116,622
[5]Common stk.	156,709	145,002
Paid-in surplus	[6]460,876	39,925
Earned surplus	158,577	106,542
Total	$1,363,857	$812,979
Net current assets	$765,986	$288,641

[3]Par val.: Sept., $0.25; Mar., $1. [4]After cred. $413,410 excess par pd. for shs. and $35,131 from conv. and deduct $27,590 stk. sale exp. [5]From report to Amer. Stk. Exch. [6]From SEC report.

Term Debt: Outstanding, Feb. 29, 1960, $65,000 10-year 6% first mortgage and $100,000 debentures 6s due Dec. 1, 1961.

Capital Stock: Compudyne Corp., common; par 25 cents: Authorized, 950,000 shs.; outstanding, Feb. 29, 1960, 711,658 shs.

C. D. Close and J. L. Tecosky 44% of shares.

No cash dividends paid.

Has one vote per sh., with right of cumulative voting for directors. No preemptive rights.

Listed on American Stock Exchange.

Transfer Agent and Registrar: Fidelity-Philadelphia Trust Co., Philadelphia.

Offered (211,071 shs.) at $3 a share on June 18, 1959 by Milton D. Blauner & Co., Inc., New York, and associates. Proceeds of 172,000 shares sold for company account.

Price Range (1959): Since listing, 20-13; for entire year, 20-2⅞.

Stock Options held by (1) officers and employees at Feb. 29, 1960, on 7,625 shares at 65 cents a share to Sept. 25, 1963 and (2) Hayden, Stone & Co. on 10,000 shares at $3 a share, exercisable Apr. 9, 1961 to Apr. 8, 1964.

CONTROL DATA CORP.

History: Incorporated in Minnesota July 8, 1957; in Jan. 1958 merged Cedar Engineering, Inc., subsidiary. In Mar. 1960 acquired Control Corp. for 68,149 shares.

Business: Manufactures digital computing systems and components including input-output devices; also makes electronic and electromechanical components used in missile and aircraft control systems.

Property: Two leased plants in Minneapolis, Minn., have total floor area of 75,000 sq. ft.

Subsidiary: Control Corp., Minneapolis, wholly-owned.

Directors: W. C. Norris, Chmn. and Pres.; F. C. Mahoney, W. R. Keye, Vice-Pres.; S. R. Cray, W. G. Andrews, G. H. Heywood, R. F. Leach.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: In September.
No. of Employees: Aug. 10, 1959, 110.
Office: 501 Park Ave., Minneapolis, Minn.

Unfilled Orders:	1959	1958
As of June 30	$3,680,000	$2,000,000

Sales & Earnings, yr. to June 30, etc. (in $—from SEC report):

	Net Sales	Net Income	No. of Com. Shs.	Earn.	Pd.
'59	4,586,171	283,214	784,750	0.31	----
'58	765,423	[1]92,621	665,000	[1]0.29	----

[1]July 8, 1957 to June 30, 1958.

Balance Sheet, as of June 30, 1959 (from SEC report):

Assets:	
Cash & U. S. Gov. secur.	$503,431
Receivables	1,082,393
Inventories	501,868
Prepayments	4,679
Total current	$2,092,221
Net property	251,713
Deferred charges	29,835
Total	$2,373,779
Liabilities:	
Debt due	$25,000
Accounts payable, etc.	308,459
Income tax	136,808
Total current	$470,267
Debt	75,000
6% preferred stk. ($25)	350,000
Common stock ($0.50)	392,375
Paid in surplus	1,001,753
Retained earnings	84,384
Total	$2,373,779
Net current assets	$1,621,954
Net tang. com. sh.	$1.88

Secured Debt: Outstanding, June 30, 1959, $100,000 5% notes payable $25,000 annually to Dec. 1, 1962; secured on certain machinery and equipment.

Capital Stock: 1. Control Data Corp. 6% cumulative preferred; par $25: Authorized, all series, 40,000 shs.; outstanding, this series, 14,000 shs.; held privately.

Has preference for assets and divs. Entitled to cum. divs. of $1.50 a share annually payable quarterly. On default of sinking fund or divs. of 6%, rate will be increased to 8%.

Without consent of 66⅔% of pfd., company may not pay cash divs. on common (1) which would reduce paid-in surplus or reduce net working capital below greater of $700,000 or sum of funded debt and pfd. stock or (2) in excess of 50% of earnings after June 30, 1958 as long as net worth junior to preferred is less than 1½ times funded debt and par of pfd.) or (3) in excess of 66⅔% of earnings after June 30, 1958 (as long as net worth junior to pfd. is more than 1½ times and less than twice funded debt and par of pfd).

Has no voting power except on default of 4 quarterly divs. or sinking fund payment when it elects ⅓ of directors; on default of 6 quarterly divs. or 2 sinking fund payments, elects majority of directors. No preemptive rights.

Callable at $28.50 a sh. to Sept. 29, 1963; lower prices yearly thereafter. Annual sinking fund, Sept. 30, 1962-63; 10% (not exceeding $25,000) of net earnings in excess of $200,000; thereafter, $35,000 annually. In liquidation, entitled to $25 a share if involuntary and redemption price if voluntary; plus divs.

2. Control Data Corp. common; par 50 cents, Authorized, 2,500,000 shs., outstanding, 896,341 shs.

Officers and directors own 135,580 shs. (15.12%).

No dividends paid.

Has one vote per sh.; no preemptive rights. For div. restrictions, see pfd. above.

Transfer Agent and Registrar: First National Bank, Minneapolis.

Offered (99,591 shs.) on Sept. 16, 1959 to stockholders at $12 a share on basis of one share for each 8 held. Rights expire Sept. 30, 1959. Offering underwritten by Dean Witter & Co., San Francisco, and associates. Proceeds for additional plant facilities, working capital and other purposes.

Stock Options: Outstanding, Aug. 14, 1959, options held by officers, directors and key employees on 93,165 shares at prices from $1 to $16.875 per share.

Subscription Rights: Stockholders of record Sept. 3, 1959 had right to subscribe to 99,594 common shares at $12 a share on basis of one share for each 8 held. Rights expired Sept. 30, 1959. Offering underwritten by Dean Witter & Co., San Francisco, and associates.

COOPER TIRE & RUBBER CO.

History: Incorporated under Delaware laws Mar. 26, 1930 as Master Tire & Rubber Corp. and acquired complete control through exchange of securities, of Falls Rubber Co., Cuyahoga Falls, O., Giant Tire & Rubber Co., Findlay, O., and Cooper Corp. Present name adopted July 1, 1946.

Business: Engaged in the manufacture and sale of tires and tubes for passenger cars, trucks and buses; repair material and industrial rubber products. Retail activities are confined to service stations at Findlay, Ohio.

Wholesale branches in Boston, Pittsburgh, Cincinnati, Chicago and Indianapolis. Atlanta, Memphis, St. Louis, San Francisco, Dallas, Findlay, Ohio and Detroit.

Properties: Plant located at Findlay, O., owned in fee has a daily capacity of 8,500 tires and 8,500 tubes, and contains 357,558 sq. ft. of floor space. Has 46,768 sq. ft. plant at Clarksdale, Miss., and leases 125,000 sq. ft. plant at Auburn, Ind. Also has 150,000 sq. ft. of storage space at Findlay and Fostoria, O., and at branches.

Subsidiaries (wholly-owned): Cooper Corp., Falls Rubber Co. and Giant Tire & Rubber Co. are selling agents and Clarksdale Rubber Co. operates plant at Clarksdale, Miss.

Officers: W. H. Brewer, Chmn., Pres. & Gen. Mgr.; C. P. Weaver, Vice-Pres. (Sales); W. B. Brewer, Exec. Vice-Pres.; R. E. Esterly, Vice-Pres. and Contr.; W. R. Brewer, Vice-Pres. (Wks. Mgr.); E. E. Brewer, Vice-Pres. (Indus. Div.); K. L. Frost, Treas. and Sec.

Directors: J. F. Schaefer, W. H. Brewer, C. P. Weaver, Findlay, O.; J. J. Twomey, Cincinnati; E. T. Adams, Pittsburgh; K. L. Frost, W. Robert Brewer, Wayne H. Brewer, M. J. Stone.

Auditors: Arthur Young & Co.

General Counsel: Marshall, Melhorn, Bloch & Belt, Toledo, O.

Annual Meeting: Last Saturday in March.
No. of Stockholders: Dec. 31, 1959, 1,994.
No. of Employees: Dec. 31, 1959, 1,637.
Office: Findlay, O.

Consolidated Income Account, years ended Dec. 31:

	1959	1958
[1]Net sales	$37,710,366	$31,012,481
Cost of sales	29,115,881	24,189,614
Selling, etc., exp.	5,406,615	4,702,633
Operating profit	2,687,870	2,150,232
Other income	44,174	4,424
Total income	2,932,044	2,154,656
Int. & debt exp.	291,252	312,961
Fed. income tax	1,300,000	845,000
[2]Net profit	1,341,116	956,729
Retain. earn., 1-1	3,701,378	3,197,973
Dividends, cash	564,894	1,453,324
Stock dividend	----------	2,247,250
Retain. earn., 12-31	[3]4,477,886	3,701,378
[4]Times chg. earn.	10.07	6.78

[1]Aft. Fed. excise taxes. [2]Bef. Fed. inc. tax. [3]After deprec.: 1959, $706,730; 1958, $567,423. [4]$3,351,378 restricted.

Sales and Earnings, years to Dec. 31 (in $):

	[1]Net Sales	Net Profit	No. of Shares	Earn. on Com.
1959	37,710,366	1,341,116	777,009	1.63
1958	31,012,481	956,729	218,271	3.61
1957	24,473,277	270,757	271,428	1.00
1956	23,737,387	410,389	252,264	1.61
1955	23,627,594	400,011	156,721	2.55
1954	15,026,123	125,041	156,721	0.49
1953	22,952,147	359,285	156,721	2.29
1952	17,056,035	322,131	156,721	2.05
1951	17,713,010	329,947	156,721	2.10
1950	13,274,779	575,612	156,721	3.67

[1]After Federal excise taxes.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1959	1958
Cash	3611,633	$[illegible]
Receivables, net	[1]10,763,313	$6,[illegible]
[2]Inventories	5,614,962	5,[illegible]
Prepayments	118,532	104,347
Total curernt	$17,108,760	$[illegible]
Land, bldgs., etc.	8,655,032	7,[illegible]
Depr. & amort.	4,234,654	3,[illegible]
Net property	4,420,378	3,[illegible]
Debt disc. & exp.	167,898	----------
Investments, etc.	127,356	26,[illegible]
Total	$21,824,392	$[illegible]
Liabilities:		
Notes, etc., pay.	$819,142	$[illegible]
Accounts payable	3,645,237	2,[illegible]
Accruals payable	1,495,057	1,[illegible]
Fed. inc. tax res.	1,291,011	1,[illegible]
Total current	$7,453,567	$[illegible]
Notes payable	66,951	2,[illegible]
Deb. 6s, 1967	634,020	634,020
Debs. 5¼s, 1974	3,500,000	----------
[3]Common stock	[4]974,970	716,110
Paid-in surplus	[5]1,518,356	1,[illegible]
Retained earnings	4,677,856	3,791,378
Total	$21,824,992	$[illegible]
Net current assets	$9,655,233	$4,[illegible]
Net tang. com. sh.	$[illegible]	$17.51

[1]$1 par shs.: 1959, 432,929; 1958, 375,271. [2]Lower cost or mkt. [3]After cred. $3,309,971 prem. stk. and $35,813 prem. opt. stk. [4]Incl. $3,553,000 due sale 100,000 com. shs. [5]Incl. 100,000 shs. to be issued.

Mortgage Loans: Outstanding, Dec. 31, 1959, $136,093 6% note payable $6,286 monthly.

Long Term Debt: 1. Cooper Tire & Rubber Co. senior sinking fund debenture 5¼s, due 1974:

Rating—Ba

AUTHORIZED—$3,500,000, outstanding, Dec. 31, 1959, $3,500,000.

DATED—Apr. 1, 1959.

MATURITY—Apr. 1, 1974.

INTEREST—A&O at office of trustee.

TRUSTEE—Peoples First National Bank & Trust Co., Pittsburgh.

DENOMINATION—Coupon, $1,000; registerable as to principal, fully registered, $1,000 and multiples.

CALLABLE—As a whole or in part on at least 30 days' notice at any time on or after Apr. 1, 1964 to Mar. 31 incl. as follows:

1964	105%	1968	104%	1972	104%
1965	105%	1969	103%	1973	103%
1966	104%	1970	103%	1974	101
1967	104%	1971	103%		

Also callable on like notice for sinking fund beginning Apr. 1, 1965 at 100.

SINKING FUND—To retire $360,000 debentures each Apr. 1, 1965-69 and $100,000 debentures each Apr. 1, 1970-73. Company may receive credit for principal amount or cost to company of reacquisition, whichever is less, of debentures reacquired (other than through purchase fund). Payments will retire 80% at issue by maturity.

PURCHASE FUND—Requires company to set aside not less than $100,000 or more than $200,000 each Apr. 1, 1961-64 for purchase of debentures at not exceeding par. Unused cash at end of any 12-month period shall first be reduced by purchase of debentures otherwise than through purchase fund; balance credited against purchase fund payment for following year.

SECURITY—Not secured.
CREATION OF ADDITIONAL DEBT—Company or a subsidiary may not create funded debt (including debentures) which exceeds 50% of net tangible assets or on which interest payable during any fiscal year exceeds 25% of consolidated net income for preceding fiscal year. Minimum consolidated working capital must be maintained at not less than $1,500,000.
DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1955 plus $350,000 or if a default exists. At Dec. 31, 1959, $3,551,315 of retained earnings were so restricted.
RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest or sinking fund or purchase fund installment), trustee or majority of debentures may declare principal due and payable.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.
PURPOSE—Proceeds to retire term loan of $2,150,000; to purchase and install dual tube production line and for working capital.
WARRANTS—Issued with each $1,000 debenture entitle holder to purchase 25 common shares at $25 a share to July 31, 1964 incl. and $30 thereafter to July 31, 1969 incl. Warrants are detachable and exercisable on and after Aug. 1, 1959. Warrant privilege protected against dilution; no adjustment made on issue of up to 20,000 shares under option to key employees.
OFFERED—($3,500,000) on Apr. 22, 1959 by Paine, Webber, Jackson & Curtis, New York; Prescott, Shepard & Co., Inc., Cleveland, and associates, at 100, with warrants as above described.
PRICE RANGE—1959, 110-100 (w w).

2. Cooper Tire & Rubber Co. debenture 6s, due 1967:

AUTHORIZED—$781,360; outstanding, $634,020.
DATED—Jan. 1, 1956.
MATURITY—Jan. 1, 1967.
INTEREST PAYABLE—Semi-annually J&J 1 at Central Trust Co., Cincinnati.
REGISTRAR—Central Trust Co., Cincinnati.
DENOMINATIONS—Coupon $40, $100, $500 and $1,000; not registered as to principal or interest.
CALLABLE—As a whole or in part at option of company by lot at par and accrued interest on two weeks' notice.
SINKING FUND—On Mar. 15 of each year an amount equal to 15% of the previous year's net income in cash or bonds purchased by the corporation (on basis of purchase price) for retirement of bonds, provided current assets at the end of preceding year were at least $600,000 in excess of current liabilities and at least three times current liabilities.
DEFAULT PROVISIONS—No default in payment of interest until unpaid and accrued interest aggregates at least 12% of principal.
OTHER PROVISION—As long as there are any debentures outstanding at least 3 directors of corporation must be bondholders.
SECURITY—Not secured; subordinated to prior payment of senior debt, comprising loans from financial institutions, etc.
PURPOSE—Issued, under exchange offer, for like amount of debenture 4s, due 1967, of Master Tire & Rubber Corp. (former name of company).
TAX STATUS—No provision for assumption or refund of any Federal or state taxes.
TRANSFER AGENT AND REGISTRAR—Central Trust Co., Cincinnati.

Capital Stock: 1. Cooper Tire & Rubber Co. common: par $1:

AUTHORIZED—1,600,000 shares; outstanding, Feb. 29, 1960 332,020 shares; par $1.
Par changed from no par to $1 in Mar. 1958, share for share.
DIVIDENDS—

On no par shares:					
1944-45	$0.75	1946...	$0.80	1947...	$0.20
1948-49	nil	1950...	0.20	1951...	0.75
1952-54	0.70	1955...	0.50	1956...	0.75
1957.	0.50				
On $1 par shares:					
1958...	[illegible]	1959...	1.10		

On $1 par shares (after 100% stk. div.):
1960. [illegible]
Dividends: 1957, 5%; 1958, 10%; [illegible]
To Apr. 1, also 100% in stock.
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
TRANSFER AGENT AND REGISTRAR—National Bank of Detroit.
OFFERED—[illegible] shares, balance of 97,950 shares offered to stockholders) at $10.50 per share July 13, 1956 by Prescott & Co.
100,000 shares at $12 per share (proceeds to company $11.1 per share), Dec. 29, 1959 by Paine, Webber, Jackson and Curtis, New York, and associates.
PRICE RANGE—

	1959	1958	1957	1956	1955
High	47	20	10	15¾	10½
Low	20⅞	5½	6¼	8¾	5⅜

Subscription Rights: Common stockholders of record June 15, 1956 had right to subscribe to 97,950 common shares at $10.50 a share on basis of 1½ shares for each 2 shares held. Rights expired July 12, 1956. Offering underwritten by Prescott & Co., Cleveland and associates.
Stock Options held by officers and key employees at Mar. 28, 1960, on 10,000 shares at prices from $15 and $17.25 a share expire Mar. 27, 1963.

CROWLEY'S MILK CO., INC.

History: Incorporated in New York Jan. 9, 1925.
Business: Operates milk products processing and distribution business in N. Y., N. J. and Pa.
Property: Owns 381,200 sq. ft. of floor space in plants comprising receiving and distribution depots, processing and ice cream manufacturing plants, etc. in N. Y., N. J. and Pa.; also 230 motor vehicles. Leases 17 tractor-trailers.
Directors: F. E. Crowley, Pres.; P. J. McTighe, Vice-Pres. and Treas.; J. E. Crowley, Vice-Pres.; V. C. Crowley, Sec.; F. L. Crowley, E. J. Roberts, D. J. Miner.
Auditors: Touche, Ross, Bailey & Smart.
Annual Meeting: Third Tuesday in Feb.
No. of Stockholders: Dec. 31, 1959, 952.
No. of Employees (average): 1959, 761.
Office: 145 Conklin Ave., Binghamton, N. Y.

Income Account, years ended Dec. 31:

	1959	1958
Net sales	$24,564,719	$24,137,061
Cost of sales	19,568,236	19,352,966
Selling, etc., exp.	3,998,739	3,781,520
Retire. inc. prov.	150,000	150,000
Interest	21,733	42,686
Income taxes	479,571	423,248
Net income	436,110	385,641
Retain. earn., 1-1	1,756,174	1,545,471
Dividends	205,727	174,938
Tfr. to com. stk.	699,757	
Retain. earn., 12-31	1,287,107	1,756,174
Earn., com. share	$1.04	$0.92

Based on 419,850 shs.

Condensed Balance Sheet, as of Dec. 31:

Assets:	1959	1958
Cash	$911,077	$935,936
Receivables, net	1,819,311	1,555,884
[1] Inventories	779,065	682,922
Prepayments	91,202	80,721
Total current	$3,600,655	$3,275,493
Prop., plt., etc., net	3,920,378	4,100,903
Other assets	260,732	128,493
Total	$7,781,765	$7,504,889
Liabilities:		
Notes, etc., pay.	$916,220	$897,857
Accts. pay., etc.	906,206	778,241
Fed. income tax	273,132	276,467
Total current	$2,125,558	$1,952,565
Debt	170,600	297,409
[2] Common stk.	4,198,500	3,498,750
Earned surplus	1,287,107	1,756,174
Total	$7,781,765	$7,504,889
Net current assets	$1,475,097	$1,322,928
Net tang. com. sh.	$13.07	$12.52

[1] Lower cost (fifo) or mkt. [2] Par val.: 1959, $10; 1958, $100.

Debenture Debt: Outstanding, Dec. 31, 1959, $252,100 5s due in 5 years. Callable at par on 60 days' notice.
Capital Stock: Crowley's Milk Co., Inc. common: par $10. Authorized, 1,000,000 shs.; outstanding, 419,850 shs.
Officers and directors own 211,330 shs. (50.3%).
Dividends: 1959, 12½ cents; Mar. 1, 1960, 12½ cents.
Has one vote per sh. No preemptive rights.
Transfer Agent: First-City National Bank, Binghamton.
Registrar: Secretary of company.
Offered (120,000 shs.) at $10 a share on Oct. 8, 1959, by Auchincloss, Parker & Redpath, New York, and associates. Offering did not represent company financing.

CUMMINS ENGINE CO., INC.

History: Incorporated in Indiana Feb. 3, 1919.
Business: Manufactures high-speed diesel and gas engines and parts.
Property: Plant consists of 48 buildings with 1,038,641 sq. ft. floor area on 85.24 acre site at Columbus, Ind. English subsidiary has plant near Glasgow, Scotland.
Subsidiaries: Cummins Diesel Sales Corp., Atlas Crankshaft Corp., Cummins Engine Co. Ltd. and Cummins Diesel International Ltd. are wholly-owned.
Officers: J. I. Miller, Chmn.; E. D. Tull, Pres.; D. J. Cummins, Vice-Pres. (Eng.); W. M. Harrison, Vice-Pres., Sec. and Treas.; V. E. McMullen, Vice-Pres.; W. J. Manning, Asst. Sec. and Asst. Treas.; R. B. Stoner, Vice-Pres. (Oper.); C. R. Boll, Vice-Pres. (Sales); N. M. Reiners, Vice-Pres. (Research).
Directors: H. L. Knudsen, Santa Monica, Cal.; D. B. Stern, Chicago, Ill.; V. E. McMullen, J. I. Miller, E. D. Tull, D. J. Cummins, W. M. Harrison, C. R. Fox, C. R. Boll, R. B. Stoner, N. M. Reiners, Columbus, Ind., Seymour Dribben, New York.
Auditors: Arthur Andersen & Co.
Annual Meeting: First Tuesday in April.
No. of Stockholders: Dec. 31, 1959, 2,415.
No. of Employees: Dec. 31, 1959, 5,822.
Main Office: Columbus, Ind.

Consolidated Income Account, years ended Dec. 31:

	[1] 1959	1958
Net sales	$147,033,188	$108,762,547
Cost of sales	100,606,786	79,133,668
Selling, etc., exp.	28,165,283	20,634,045
Operating profit	18,261,119	9,298,833
Other income, net	563,376	482,396
Total income	18,824,495	10,873,229
Interest	1,142,356	1,042,549
Fed. income tax	9,448,000	4,878,000
Fgn. sub. loss prov.		450,800
Net profit	8,234,139	3,901,680
Retain. earn., 1-1	19,900,436	19,500,943
Com. divs. (cash)	1,268,199	1,198,797
Com. divs. (stk.)		2,303,390
Retain. earn., 12-31	[2] 25,866,376	18,900,436

[1] Aft. deprec. & amort.: 1959, $3,628,986; 1958, $2,975,461. [2] Incl. U. K. sub. $8,750,487 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959...	147,033,188	8,234,139	1,269,510	6.49
1958...	108,762,547	3,901,680	1,262,041	[1] 3.09
1957...	111,189,762	5,105,270	1,195,091	4.27
1956...	105,793,070	5,703,375	1,041,275	5.27
1955...	81,029,407	4,522,007	864,250	5.20
1954...	59,184,931	2,832,314	688,565	4.12

[1] $3.41 before fgn. sub. loss prov.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	[1] 1959	1958
Cash	$5,072,890	$4,244,752
Govt. securities	465,708	4,912,657
Receivables, net	18,633,215	15,429,810
[2] Inventories	19,633,136	12,350,485
Total current	$43,324,949	$36,937,711
Land, bldgs., etc.	43,449,751	33,661,823
Deprec. & amort.	13,146,257	10,883,535
Net property	30,303,494	22,178,288
Intangibles	1	1
Investments	2,259,493	7,89.1137
Life ins., cash val.	141,670	136,230
Non-curr. charges	577,738	598,903
Deferred charges	2,221,854	1,190,503
Total	$79,329,201	$68,741,798
Liabilities:		
Accounts payable	$6,267,597	$4,768,374
Notes payable	2,308,300	361,671
Accruals	7,434,553	5,153,303
Retire. tr. contrib.	597,000	554,000
Fed. inc. tax res.	[3] -------	[3] -------
Total current	$16,607,450	$10,499,349
Notes payable	18,000,000	20,000,000
Oth. lg.-tm. liab.	3,124,895	3,631,063
Fed. inc. tax res.	1,230,869	1,003,046
Com. stock ($5)	6,347,550	6,316,203
Capital surplus	8,152,061	8,064,701
Retained earnings	25,866,376	18,900,436
Total	$79,329,201	$68,741,798
Net current assets	$27,217,499	$26,097,363
Net tang. com. sh.	$31.80	$26.36

[1] After deduct. $8,938,709 (1958, $2,740,650) U. S. Govt. secur. [2] Lower cost or mkt. [3] Incl. U. K. sub.

Term Loans: Outstanding, Dec. 31, 1959, $20,000,000 evidenced by $15,000,000 5¼% notes payable annually, 1960-72 and $5,000,000 4¾% notes payable semi-annually, 1960-64.
Company may not pay cash dividends or purchase stock in excess of 75% of consolidated net income after Dec. 31, 1956 plus $1,000,000; and, giving effect to such payments on a consolidated basis, net working capital must be maintained at not less than $16,000,000 and current assets must equal at least twice current liabilities. At Dec. 31, 1959, $8,750,487 retained earnings were not so restricted.
Other Debt: Outstanding, $3,124,895 other notes payable at various dates.

Capital Stock: 1. Cummins Engine Co., Inc., common; par $5:

AUTHORIZED—4,000,000 shares; outstanding, Apr. 5, 1960, 2,539,020 shares; par $2.50 ($5 par shares split 5-for-4 Dec. 21, 1955 and Dec. 22, 1956, one additional share issued for each 4 shares held in both years).
Par changed from $5 to $2.50 Apr. 5, 1960 by 2-for-1 split.
VOTING RIGHTS—Has one vote per share.
DIVIDENDS—

1943...	$0.25	1949...	$1.00	1950...	[1] $1.50
[1] 1951.	1.25	[1] 1952...	1.10	[1] 1953-55	1.00

On $5 par shares after 5-for-4 split:
1956-59 1.00 [2] 1960... 0.25
[1] Also stock dividends: 1950 and 1951, 1952, 10%; 1954, 5%; 1957, 10%; 1958, 5%.
[2] To Mar. 17.
PREEMPTIVE RIGHTS—None.
TRANSFER AND DIVIDEND AGENT—Continental Illinois [illegible] & Trust Co., Chicago.
REGISTRAR—Northern [illegible]
OFFERED—(50,000 sh [illegible] Oct. 3, 1947 by A. G. [illegible] cago, and associates. [illegible] sent company financing.

Cooper 1967 1993A

Consolidated Income Account, years ended Dec. 31:

	1960	1959
Net sales	$46,852,334	$51,479,513
Cost of sales	36,490,891	38,163,927
Selling, etc., exp.	6,408,607	6,908,553
Depreciation	776,869	609,537
Net earnings	3,175,967	5,797,491
Other income	173,189	151,206
Total income	3,349,156	5,948,697
Interest	216,139	249,359
Income taxes	1,606,000	2,907,000
[1]Other oper. loss		245,519
Net income	1,527,017	2,546,819
Earn. surp., 1-1	6,537,432	5,624,161
Dividends (cash)	1,009,494	730,873
Dividends (stk.)		675,603
Acquis. surp.		456,144
Tfr. to com. stk.		637,216
Electrosnap. divs.		46,000
Earn. surp., 12-31	[2]7,054,955	6,537,432
Earn., com. share	$1.21	$2.06
No. of com. shares	1,263,826	1,234,674

[1]Incl. $4,404,869 restrict. [2]Oper. and disposal bus. sold.

Combined Consolidated Sales and Earnings

(in $): Year	Net Sales	Net Profit	No. of Shares	Earn. Com. Sh.
1959	51,479,513	2,546,819	1,231,671	2.06
1958	33,078,027	1,309,263	689,716	1.90
1957	27,100,244	1,120,323	619,380	1.81
1956	27,391,948	994,958	604,316	1.65

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash	$2,786,823	$1,859,839
Mkt. secur., cost	437,529	1,370,905
Receivables, net	4,316,609	6,051,981
[1]Inventories	7,587,825	8,165,434
Prepayments, etc.	424,628	403,678
Total current	$15,553,414	$17,851,837
Land, bldgs., etc.	10,568,305	9,577,804
Depreciation	3,901,907	3,445,868
Net property	6,666,898	6,131,936
Inv. & adv. affil.	432,102	342,449
Other assets	404,454	447,349
Total	$23,056,868	$24,773,571
Liabilities:		
Notes payable	$299,962	$293,509
Accounts payable	1,523,669	2,205,278
Dividends pay.	252,765	224,535
Accruals	1,444,515	2,077,519
Fed. income tax	732,997	1,622,999
Total current	$4,253,908	$6,424,160
Notes payable	3,939,629	4,239,591
Common stk. ($5)	6,319,130	6,173,370
Paid-in surplus	1,489,246	1,399,018
Earned surplus	7,054,955	6,537,432
Total	$23,056,868	$24,773,571
Net current assets	$11,299,506	$11,427,677
Net tang. com. sh.	$11.76	$11.43

[1]At lower of cost or mkt.

Note: At Dec. 31, 1960, annual rentals on leases expiring after 3 years, $287,000.

Long Term Debt: Outstanding, Dec. 31, 1960, $3,939,629 (excluding current maturities), comprising $2,000,000 5% note payable semi-annually from Dec. 31, 1963 to June 30, 1973; $1,394,629 5% note payable quarterly to Aug. 1, 1969; $475,000 4¼-4½% notes payable semi-annually to June 30, 1963; $70,000 4% notes payable semiannually to Feb. 1, 1962.

Company may not pay cash dividends on or reacquire stock in excess of net income after Dec. 31, 1957 plus $750,000; or if, on a consolidated basis, net working capital would be less than greater of $6,000,000 or 110% of funded debt or if ratio of current assets to current liabilities would be reduced below 1.50 to 1. At Dec. 31, 1960, $4,404,869 retained earnings were so restricted.

Capital Stock: 1. Controls Co. of America, common; par $5:
AUTHORIZED—3,000,000 shares; outstanding, Dec. 31, 1960, 1,263,826 shares; par $5.
VOTING RIGHTS—Has one vote per share, with right of cumulative voting for directors.
PREEMPTIVE RIGHTS—None.
DIVIDENDS—
1956... $0.18¾ [1]1957.. $0.78¼ [1]1958-60 $0.80
[2]1961.. 0.40

[1]Also stock dividends: 1957, 2%; May 1, 1959, 3%; Aug. 10, 1959, 50% (20 cents paid after stock dividend).

[2]To Apr. 15.

Dividends payable quarterly, Jan. 14, etc., to stock of record about Dec. 28, etc.

DIVIDEND RESTRICTIONS—See long term debt.

LISTED—On New York, Midwest and Pacific Coast Stock Exchanges.

TRANSFER AGENT—Harris Trust & Savings Bank, Chicago, and Morgan Guaranty Trust Co., New York.

REGISTRARS—First National Bank, Chicago, and Chase Manhattan Bank, New York.

DIVIDEND DISBURSING AGENT—Harris Trust & Savings Bank, Chicago.

OFFERED—(325,711 shares) at $14 per share on July 18, 1956 by Lee Higginson Corp., A. G. Becker & Co., Inc., and Merrill Lynch, Pierce, Fenner & Beane, New York, and associates. Offering did not represent company financing.

(191,700 $5 par shares) at $32.375 a share on Aug. 12, 1959, by Merrill, Lynch, Pierce, Fenner & Smith, Inc., and Lee Higginson Corp., New York, and associates. Offering 50,000 shares for company account.

PRICE RANGE—	1960	[1]1959	1958	1957
High	42¼	50½	27½	17⅛
Low	20⅛	25⅜	11⅜	10⅛

[1]After stock dividend; before, 51-26.

Stock Options held by officers and key employees at Dec. 31, 1960 on 61,443 shares at prices from $7.99 to $39.79 per share.

COOPER TIRE & RUBBER CO.

History: Incorporated under Delaware laws Mar. 26, 1930 as Master Tire & Rubber Corp. and acquired complete control through exchange of securities, of Falls Rubber Co., Cuyahoga Falls, O., Giant Tire & Rubber Co., Findlay, O., and Cooper Corp. Present name adopted July 1, 1946.

Business: Engaged in the manufacture and sale of tires and tubes for passenger cars, trucks and buses; repair material and industrial rubber products. Retail activities are confined to service stations at Findlay, Ohio. Wholesale branches in Boston, Pittsburgh, Cincinnati, Chicago and Indianapolis, Atlanta, Memphis, St. Louis, San Francisco, Dallas, Kansas City, Minneapolis, Finlay, Ohio and Detroit.

Properties: Plant located at Findlay, O., owned in fee has a daily capacity of 10,000 tires and 8,500 tubes, and contains 372,984 sq. ft. of floor space. Has 46,768 sq. ft. plant at Clarksdale, Miss., and leases 135,000 sq. ft. plant at Auburn, Ind. Also has 458,200 sq. ft. of storage space at Findlay and Fostoria, O., and at branches.

Subsidiaries (wholly-owned): Cooper Corp., Falls Rubber Co. and Giant Tire & Rubber Co. are selling agents and Clarksdale Rubber Co. operates plant at Clarksdale, Miss.

Officers: K. L. Frost, Chmn.; W. B. Brewer, Pres.; E. E. Brewer, W. R. Brewer, C. P. Weaver, Vice-Pres.; B. E. Esterly, Vice-Pres. and Sec.-Treas.; C. R. Cain, Contr.; W. T. Yale, Asst. Treas.; M. E. Monroe, Asst. Sec.

Directors: J. F. Schaefer, W. B. Brewer, C. P. Weaver, Findlay, O.; J. J. Twomey, Cincinnati; E. T. Adams, Pittsburgh; K. L. Frost, W. Robert Brewer, M. J. Stone.

Auditors: Arthur Young & Co.

General Counsel: Marshall, Melhorn, Bloch & Belt, Toledo, O.

Annual Meeting: Last Saturday in March.

No. of Stockholders: Dec. 31, 1960, 3,574.

No. of Employees: Dec. 31, 1960, 1,688.

Offices: Findlay, O.

Consolidated Income Account, years ended Dec. 31:

	1960	1959
[1]Net sales	$38,021,094	$37,710,366
Cost of sales	30,380,203	29,415,811
Selling, etc., exp.	6,161,546	5,406,035
Operating profit	d 520,655	2,887,890
Other income	62,566	44,478
Total income	d 458,089	2,932,368
Int. & debt exp.	445,964	291,252
Fed. income tax	cr 478,000	1,300,000
Deferred inc. tax	60,000	
[2]Net profit	d 486,053	1,341,116
Retain. earn., 1-1	4,677,886	3,701,378
Dividends, cash	411,299	364,608
[3]Retain. earn., 12-31	3,780,530	4,677,886
[4]Times chg. earn.		10.07
Earn., com. share	d $0.56	$4.03
No. of com. shares	[5]865,920	[6]332,920

[1]Aft. Fed. excise tax. [2]Bef. inc. tax. [3]Aft. deprec.: 1960, $867,841; 1959, $766,730. [4]$3,351,378 restricted. [5]Excl. 100,000 shs. issued Dec. 29, 1959. [6]Reflects stk. issued & 100% stk. div.

Sales and Earnings, years to Dec. 31 (in $):

	[1]Net Sales	Net Profit	No. of Shares	Earn. on Com.
1959	37,710,366	1,341,116	332,920	4.03
1958	31,042,441	956,122	318,271	3.01
1957	21,473,277	270,557	271,136	1.00
1956	23,737,357	410,399	252,264	1.63
1955	23,627,534	409,011	156,721	2.53
1954	15,026,123	123,041	156,721	0.80
1953	22,992,147	359,285	156,721	2.29
1952	17,056,075	322,131	156,721	2.05
1951	17,713,010	329,947	156,721	2.10
1950	13,274,779	575,612	156,721	3.67

[1]After Federal excise taxes.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash	$725,683	$611,633
Receivables, net	6,314,292	[1]10,763,313
[2]Inventories	4,766,370	5,614,963
Tax claim	620,000	
Prepayments	127,160	118,852
Total current	$12,553,505	$17,108,760
Land, bldgs., etc.	12,009,115	8,655,032
Deprec. & amort.	4,846,160	4,234,054
Net property	7,162,955	4,420,978
Debt disc. & exp.	151,421	167,898
Investments, etc.	157,628	127,356
Total	$20,025,509	$21,824,992
Liabilities:		
Notes, etc., pay.	$1,514,469	$819,142
Accounts payable	2,067,795	3,815,297
Accruals payable	1,293,019	1,493,057
Fed. inc. tax res.	179,612	1,291,011
Total current	$5,052,925	$7,433,507
Def. income tax	60,000	66,951
Notes payable		
Lse. purch. oblgs.		
Deb. 6s, 1967	631,020	631,020
Deb. 5¼s, 1974	3,500,000	3,500,000
[2]Common stock	974,126	[3]974,070
Paid-in surplus	4,519,127	4,519,558
Retained earnings	3,780,530	4,677,886
Total	$20,025,509	$21,824,992
Net current assets	$7,500,580	$9,675,253
Net tang. com. sh.	$10.71	[4]$23.45

[1]$1 par shs.: 1960, 865,890; 1959, 432,920. [2]Lower cost or mkt. [3]Incl. $3,553,000 due sale 100,000 com. shs. [4]Incl. 100,000 shs. issued Dec. 29, 1959.

Long Term Debt: 1. Cooper Tire & Rubber Co. senior sinking fund debenture 5¼s, due 1974:

Rating—Ba

AUTHORIZED—$3,500,000; outstanding, Dec. 31, 1960, $3,500,000.
DATED—Apr. 1, 1959.
MATURITY—Apr. 1, 1974.
INTEREST—A&O1 at office of trustee.
TRUSTEE—Peoples First National Bank & Trust Co., Pittsburgh.
DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and multiples.
CALLABLE—As a whole or in part on at least 30 days' notice at any time on or after Apr. 1, 1964 to Mar. 31 incl. as followws:

1965	105¼	1966	104¾	1967	104¼
1968	103¾	1969	103¼	1970	102¾
1971	102¼	1972	101¾	1973	101
1974	100¼				

Also callable on like notice for sinking fund beginning Apr. 1, 1965 at 100.
SINKING FUND—To retire $300,000 debentures each Apr. 1, 1965-69 and $400,000 debentures each Apr. 1, 1970-73. Company may receive credit for principal amount or cost to company of reacquisition, whichever is less, of debentures reacquired (other than through purchase fund). Payments will retire 88% of issue by maturity.
PURCHASE FUND—Requires company to set aside not less than $100,000 or more than $200,000 each Apr. 1, 1961-64 for purchase of debentures at not exceeding par. Unused cash at end of any 12-month period shall first be reduced by purchase of debentures otherwise than through purchase fund; balance credited against purchase fund payment for following year.
SECURITY—Not secured.
CREATION OF ADDITIONAL DEBT—Company or a subsidiary may not create funded debt (including debentures) which exceeds 50% of net tangible assets or on which interest payable during any fiscal year exceeds 33⅓% of consolidated net income for preceding fiscal year. Minimum consolidated working capital must be maintained at not less than $4,500,000.
DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1958 plus $250,000 or if a default exists. At Dec. 31, 1960, $3,351,378 of retained earnings were so restricted.
RIGHTS ON DEFAULT—In event of default (90 day grace period for payment of interest or sinking fund or purchase fund installment), trustee or majority of debentures may declare principal due and payable.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.
PURPOSE—Proceeds to retire term loan of $2,150,000; to purchase and install dual tube production line and for working capital.
WARRANTS—Issued with each $1,000 debenture entitle holder to purchase 50 common shares at $12.50 a share to July 31, 1964 incl. and $15 thereafter to July 31, 1969 incl. Warrants are detachable and exercisable on and after Aug. 1, 1959. Warrant privilege protected against dilution; no adjustment made on issue of up to 20,000 shares under option to key employees.
OFFERED—($3,500,000) on Apr. 22, 1959 by Paine, Webber, Jackson & Curtis, New York; Prescott, Shepard & Co., Inc., Cleveland, and associates, at 100, with warrants as above described.

PRICE RANGE—	1960	1959
With warr.	102-92	103-100
Ex-warr.	85-76	

2. Cooper Tire & Rubber Co. debenture 6s, due 1967:

AUTHORIZED—$781,360; outstanding, $534,020.
DATED—Jan. 1, 1956.
MATURITY—Jan. 1, 1967.
INTEREST PAYABLE—Semi-annually J&J 1 at Central Trust Co., Cincinnati.
REGISTRAR—Central Trust Co., Cincinnati.
DENOMINATIONS—Coupon $10, $100, $500 and $1,000; not registered as to principal or interest.
CALLABLE—As a whole or in part at option of company by lot at par and accrued interest on two weeks' notice.
SINKING FUND—On Mar. 15 of each year an amount equal to 15% of the previous year's net income in cash or bonds purchased by the corporation (on basis of purchase price) for retirement of bonds, provided current assets

t the end of preceding year were at least ,000 in excess of current liabilities and at least three times current liabilities.
DEFAULT PROVISIONS—No default in payment of interest until unpaid and accrued interest aggregates at least 12% of principal.
OTHER PROVISION—As long as there are any debentures outstanding at least 3 directors of corporation must be bondholders
SECURITY—Not secured; subordinated to for payment of senior debt, comprising ans from financial institutions, etc.
URPOSE—Issued, under exchange offer, for ke amount of debenture 4s, due 1967, of Master Tire & Rubber Corp. (former name of company).
AX STATUS—No provision for assumption or refund of any Federal or state taxes.
TRANSFER AGENT AND REGISTRAR—Central Trust Co., Cincinnati.
Other Debt: Outstanding, Dec. 31, 1960, $2,019,250 equipment lease-purchase agreements payable with interest at 6.8% over 5 years including $414,160 payable in 1961.
Capital Stock: 1. Cooper Tire & Rubber Co. common; par $1:
AUTHORIZED—1,600,000 shares; outstanding, Dec. 31, 1960, 883,550 shares; par $1.
Par changed from no par to $1 in Mar. 1956, share for share.
DIVIDENDS—

On no par shares:					
1944-45	$0.15	1946...	$0.90	1947...	$0.20
1948-49	nil	1950...	0.20	1951...	0.75
1952-54	0.30	1955...	0.50	1956...	0.75
[1]1957	0.50				
On $1 par shares:					
1958...	0.32½	1959...	1.10		
On $1 par shares (after 100% stk. div.):					
[2]1960	0.47½				

[1]Also stock dividends: 1957, 5%; 1958, 10%; Feb. 1960, 100%.
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
TRANSFER AGENT AND REGISTRAR—National Bank of Detroit.
LISTED—On New York Stock Exchange.
OFFERED—(33,647 shares, balance of 97,930 shares offered to stockholders) at $10.50 per share July 13, 1956 by Prescott & Co.
100,000 shares at $28 per share (proceeds to company $25.53 per share). Dec. 29, 1959 by Paine, Weber, Jackson and Curtis, New York, and associates.

PRICE RANGE—	[1]1960	1959	1958	1957	1956
High	16	47	20	19	15¾
Low	6	20⅛	5⅛	6¾	8¾

[1]Since listing and after split; before, 37-33⅛ (bid prices).
Subscription Rights: Common stockholders of record June 19, 1956 had right to subscribe to 97,930 common shares at $10.50 a share on basis of 1¼ shares for each 2 shares held. Rights expired July 12, 1956. Offering underwritten by Prescott & Co., Cleveland and associates.
Stock Options held by officers and key employees at Dec. 31, 1960, on 40,000 shares at prices from $15 and $17.25 a share expire to Sept. 11, 1964.

COPLAY CEMENT MANUFACTURING CO.

History: Incorporated under the laws of Pennsylvania in March, 1901.
Business established 1888.
Business: Manufactures and sells "Saylor's" Portland and mortar cements.
Properties: Plants located at Saylor and Coplay, Pa., with an annual capacity of over 2,000,000 barrels. Sales offices in New York and Philadelphia.
Officers: M. E. Grunewald, Chm. and Pres.; P. J. Loughran, Vice-Pres. (Sales); P. A. Lentz, Vice-Pres. (Oper.); L. M. Stamberg, Vice-Pres. and Treas.; M. S. Steiner, Sec.; T. J. Burda, Asst. Sec. and Asst. Treas.
Directors: M. S. Steiner, B. J. Weil, H. W. Haldenstein, W. J. Wolf, New York; Harry Woolever, Jr., Philadelphia, Pa.; M. E. Grunewald, D. J. Uhle, L. M. Stamberg, Coplay, Pa.; L. C. Lerner, Boston, Mass.
Auditors: Charles Hecht & Co.
Annual Meeting: First Monday in April.
No. of Employees: Dec. 31, 1960, 267.
Office: Coplay, Pa.
New York Office: 521 Fifth Ave.

Consolidated Income Account, years ended Dec. 31:

	1960	1959
Oper. income	$1,348,900	$1,513,777
Deprec. & deplet.	401,403	382,535
Balance	944,497	1,131,242
State & Fed. tax	4,354	15,138
Non-oper. charges	124,237	93,320
Income taxes	278,150	405,600
Net income	537,727	617,184
Earn. surplus, 1-1	2,653,707	2,460,816
Pfd. dividends	117,924	117,924
Contingent res.	105,300	266,000
Pr. yr. inc. tax	25,32	40,369
Earn. surp., 12-31	2,942,878	2,653,707
Earn., pfd. share	$54.72	$62.80
No. of pfd. shares	9,827	9,827

Earnings, years to Dec. 31 (in $):

	Oper. Income	Net Income	No. of Shares	[1]Earn. on Com.
1960...	1,344,900	537,727	19,815	21.19
1959...	1,513,777	617,184	19,815	25.20
1958...	1,140,804	501,327	19,815	19.33
1957...	1,037,313	436,431	19,815	17.56
1956...	1,244,402	616,633	19,815	28.14

[1]Disregarding preferred arrears.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash	$724,107	$132,744
Receivables	248,848	271,924
Inventories	1,285,038	1,192,103
Total current	$2,295,553	$1,897,071
Land, bldgs., etc.	9,555,122	9,368,193
Deprec. & deplet.	4,405,309	4,019,993
Net plant, etc.	5,150,063	5,348,200
Defd. charges, etc.	199,936	309,160
Total	$7,645,552	$7,554,431
Liabilities:		
Accts. payable	$229,662	$356,577
Dividends pay.	117,924	----
Accrued taxes	429,988	461,039
Other accruals	81,800	77,441
Total current	$858,774	$895,057
Notes payable	400,000	606,667
Contng. reserves	485,000	360,000
6% pfd. stk. ($100)	982,700	982,700
Com. stock ($20)	396,300	396,300
Capital surplus	1,600,000	1,600,000
Earned surplus	2,942,878	2,653,707
Total	$7,645,552	$7,554,431
Net current assets	$1,436,779	$1,002,014
Net tang. per sh.	$249.26	$234.67

Bank Loan: Outstanding, Dec. 31, 1960, $400,000 evidenced by notes at ½% in excess of prime rate, payable semi-annually to June 30, 1964.
Capital Stock: 1. Coplay Cement Mfg. Co. 6% cumulative preferred; par $100:
AUTHORIZED—10,000 shares; outstanding, 9,827 shares; par $100.
PREFERENCES—Has preference as to assets and dividends.
CALLABLE—Not callable.
VOTING RIGHTS—Has one vote per share. Voting for directors may be cumulative.
DIVIDENDS—Regular dividends paid to Sept. 30, 1918; 1917 to 1925, none; 1926, 6%; 1927, none; 1928 and 1929, 6%; 1930 to 1933, none; 1934 and 1935, 1½%; 1936, 3%; 1937 to 1940, none; 1941, 3%; 1942 to 1947, incl., none; 1948, 4½%; 1949, 6%; 1950, 9%; 1951 to 1956, incl., 6%; 1957 to 1959, incl., 12%; 1960, none; Jan. 4, 1961, 12%.
Arrears, Dec. 31, 1960, $134.50 per share.
2. Coplay Cement Mfg. Co. common; par $20:
Authorized, 20,000 shares (changed from 20,000 $100 par shares April 2, 1934); outstanding, 19,815 shares; par $20 (changed from $100 April 2, 1934, share for share).
Has one vote per share. Voting for directors may be cumulative.
No dividends paid.
Transfer Agent: Stock transferred at company's office.
Registrar: Hanover Bank, New York.

CORNET STORES

History: Incorporateed in California Mar. 18, 1946; business established in 1923.
Business: Company operates 141 variety stores in Cal., Hawaii, Ida., Ore., Nev. and Wash., selling clothing, hardware, housewares, toys, dry goods, cosmetics, stationery, candy, etc.
Property: Stores are mostly on leased premises. Owns 107,210 sq. ft. warehouse in Pasadena, Cal., adjoining warehouse (82,500 sq. ft.) is leased.
Officers: Joe Cornet, Sr., Chmn.; R. F. Cornet, Pres.; Joe Cornet, Jr., Exec. Vice-Pres.; Gladys Cornet, R. F. Gerke, Vice-Pres.; D. R. Merriman, Sec.; M. C. Drexel, Asst. Sec.; L. E. Froehlich, Treas.
Directors: Joe Cornet, Sr., R. F. Cornet, Joe Cornet, Jr., Gladys Cornet, D. R. Merriman; M. C. Drexel; L. E. Froehlich.
Auditors: Miller & Co.
Annual Meeting: Third Tuesday in Mar.
No. of Stockholders: Dec. 31, 1960: Common, 954; class B, 7.
No. of Employees: June 30, 1960, 1,150.
Office: 411 South Arroyo Parkway, Pasadena, Cal.

Income Account, years ended Dec. 31:

	[1]1960	1959
Sales	$19,012,337	$16,440,828
Cost of sales	12,141,125	10,019,979
Oper. exp.	4,716,009	4,009,175
Deprec. & amort.	193,519	132,528
Net earnings	1,961,684	2,279,146
Oth. income	[2]237,421	22,346
Total income	2,199,105	2,301,492
Interest	70,602	58,816
Other deductions	3,197	3,517
St. inc., etc., tax	124,634	77,680
Fed. inc. taxes	972,188	1,118,403
[3]Net income	1,028,486	1,043,010
Retain. earn., 1-1	4,631,698	3,588,688
Tfr. to cl. B com.	670,407	----
Dividends	17,054	----
Retain. earn., 12-31	4,971,823	4,631,698
Earn., com. & B sh.	$0.67	$0.77
No. com. & B shs.	1,523,150	[4]1,349,964

[1]Consol., inc. Cornet 5 & 10 from July 1, 1960. [2]Incl. $211,717 gain prop. sld. [3]Adj. 308-for-1 split Aug., 1960.

Balance Sheet, as of Dec. 31:

Assets:	[4]1960	1959
Cash	$1,972,818	$558,449
Accts. receivable	3,410	99,430
[5]Inventories	6,499,603	5,037,254
Prepayments	69,474	62,589
Total current	$8,552,303	$5,757,722
Land, bldgs., etc.	3,493,059	3,634,105
Deprec. & amort.	681,333	579,141
Net property	2,816,726	3,054,964
Other assets	117,689	114,181
Total	$11,486,718	$8,926,867
Liabilities:		
Notes payable	$66,400	$66,000
Accts. pay., etc.	1,082,038	625,292
Income taxes	[6]286,407	771,461
Total current	$1,436,845	$1,462,753
Notes payable	826,110	795,005
[7]Common stk.	319,170	2,029,521
Cl. B com. stk. ($2)	2,751,130	----
Paid-in capital	1,181,640	7,890
Retained earnings	4,971,823	4,631,698
Total	$11,486,718	$8,926,867
Net current assets	$7,115,458	$4,294,969

[5]Lower cost or mkt. [6]Shs.: 1960, 159,585 par $2; 1959, 4,385 no par. [6]Aft. deduct. $708,-068 U. S. Treas. bills & prepay. [4]Consol.
Secured Debt: Outstanding, Dec. 31, 1960, $892,510 4% to 6% notes due to 1985; secured by deeds of trust on individual properties.
Capital Stock: 1. Cornet Stores common; par $2:
AUTHORIZED—2,150,000 shares; outstanding, Dec. 31, 1960, 159,585 shares; par $2.
VOTING RIGHTS—Has one vote per share, with right of cumulative voting for directors. Votes as one class with class B, except that consent of 90% of common and 90% of class B is required to change terms of either class; change conversion rights of class B or basis of conversion; or alter dividend restrictions on common or class B.
LIQUIDATION RIGHTS — On liquidation, shares ratably with class B in all assets.
PREEMPTIVE RIGHTS—None.
DIVIDEND RIGHTS—Cash dividends on common are not restricted; however, no cash dividends may be paid on class B unless at least an equal per share dividend is paid on common; stock dividends may be paid only in stock of respective classes at same time and rate per share.
DIVIDENDS—Initial dividend of 11¼ cents paid Feb. 1, 1961; May 1, 1961, 11¼ cents.
DIVIDEND RESTRICTION—See bank loan above.
TRANSFER AGENT—Bank of America N. T. & S. A., Los Angeles.
REGISTRAR—Security-First National Bank, Los Angeles.
OFFERED—(150,000 shares) at $10 a share (proceeds to company, $9.30 a share) on Sept. 28, 1960 by Kidder, Peabody & Co., Inc., New York; Mitchum, Jones & Templeton, Los Angeles, and associates.
2. Cornet Stores class B common; par $2:
Authorized, 2,000,000 shares; outstanding, Dec. 31, 1960, 1,375,565 shares; par $2.
Management owns 1,349,964 shares (98%).
Convertible into common, share for share.
Other provisions, same as common.

CORY CORP.

History: Incorporated under Delaware laws May 29, 1946; on following June 1 acquired all assets of Cory Division of Cory Glass Coffee Brewer Co. (successor to a business founded in 1933), and on Jan. 2, 1947 acquired all assets of Fresh'nd-Aire Co. (formerly Fresh'nd-Aire Division of Cory Glass Coffee Brewer Co.).
On Aug. 23, 1947 acquired production facilities and assets of Hil-Lor Manufacturing Co., Chicago, manufacturers of electric humidifiers.
On Oct. 4, 1950, acquired production facilities and certain assets of Nicro Steel Products, Inc., Chicago and certain assets of Flavor-Seal Cookware, Inc.
On Nov. 1, 1952 acquired production facilities and certain assets of Autopoint Co., Chicago.
In Nov. 1955, acquired Mitchell Manufacturing Co., Chicago.
Business: Manufactures glass and metal coffee brewers and other electric appliances under trade name Cory; also electric air circulators, heaters, dehumidifiers, and electric humidifiers for home and industrial use, under trade name Fresh'-nd-Aire; also portable electric fans under name Fanette; electric dehumidifiers under name Mitchell; stainless steel coffee brewers and housewares under name Nicro; domestic cookware under name Flavor-Seal, and automatic pencils, pens and specialty items under name Autopoint.
Sales and display offices at Chicago and Toronto.
Properties: Operates 5 plants located in Chicago, and subsidiary operates a 10,000 sq. ft. plant at Toronto, Ont. Owns Autopoint plant of 40,000 sq. ft., and Mitchell plant of 256,000 sq. ft. Leases Cory plant of 125,000 sq. ft., Nicro and Flavor-Seal plant of 26,000 sq. ft. In addition leases executive and sales office building of 27,000 sq. ft.

Cooper 1962

1995A

COOPER TIRE & RUBBER CO.

History: Incorporated under Delaware laws Mar. [illegible] as Master Tire & Rubber Corp. and acquired complete control through exchange of securities of Falls Rubber Co., Cuyahoga Falls, O., Giant Tire & Rubber Co., Findlay, O., and Cooper Corp. Present name adopted July 1, 1946. In 1961, name change of subsidiary Falls Rubber Co. to Cooper Industrial Products, Inc.

Business: Engaged in the manufacture and sale of tires and tubes for passenger cars, trucks and buses; repair material and industrial rubber products. Retail activities are confined to service stations at Findlay, Ohio. Wholesale branches in Boston, Pittsburgh, Los Angeles, Chicago and Indianapolis, Atlanta, Memphis, New York City, San Francisco, Dallas, Kansas City, Minneapolis, Findlay, Ohio and Detroit.

Properties: Main plant owned in Findlay, O. consists of 31 buildings with 592,864 sq. ft., including 35,000 sq. ft. for storage. Also owns 46,768 sq. ft. plant in Clarksdale, Miss. A 140,000 sq. ft. plant is leased in Auburn, Ind. Additional warehousing space aggregating 211,903 sq. ft. is leased in Findlay and a total of 213,771 sq. ft. in Fostoria, Lima and Toledo, O., and Clarksdale, Miss.

Sales offices, service and warehousing space aggregating 239,776 sq. ft. is leased at branch locations. Company leases with option to purchase part of manufacturing equipment for 5 year periods expiring 1964 and 1965.

Subsidiaries (wholly-owned): Cooper Corp., Cooper Industrial Products, Inc. and Giant Tire & Rubber Co. are selling agents and Clarksdale Rubber Co. operates plant at Clarksdale, Miss.

Officers: K. L. Frost, Chmn.; W. B. Brewer, Pres.; E. E. Brewer, W. R. Brewer, C. P. Weaver, Vice-Pres.; B. E. Esterly, Vice-Pres. and Sec.-Treas.; C. R. Cain, Contr.; W. T. Yale, Asst. Treas.; M. E. Monroe, Asst. Sec.

Directors: J. F. Schaefer, W. B. Brewer, C. P. Weaver, J. J. Twomey, Cincinnati; E. T. Adams, Pittsburgh; K. L. Frost, W. Robert Brewer, M. J. Stone.

Auditors: Arthur Young & Co.

General Counsel: Marshall, Melhorn, Bloch & Belt, Toledo, O.

Annual Meeting: Last Saturday in Apr.

No. of Stockholders: Dec. 31, 1961, 3,272.

No. of Employees: Dec. 31, 1961, 1,930.

Office: Findlay, O.

Consolidated Income Account, years ended Dec. 31:

	1961	1960
Net sales	$40,990,181	$36,021,034
Cost of sales	31,682,831	30,380,203
Selling, etc., exp.	6,493,909	6,161,546
Operating profit	2,813,442	d 520,655
Other income	67,783	62,506
Total income	2,881,225	d 458,087
Int. & debt exp.	536,456	445,968
Fed. income tax	1,100,000	cr 478,000
Deferred inc. tax	105,000	60,000
①Net profit	1,139,769	d 486,057
Retain. earn., 1-1	3,780,530	4,677,836
Dividends, cash	216,473	411,299
Retain. earn., 12-31	②4,703,826	3,780,530
①Times chg. earn.	5.37	-------
Earn., com. share	$1.32	d $0.53
No. of com. shares	863,890	865,890

①Bef. inc. tax. ②After $1,100,120 (1960, $867,841) deprec. ③$3,351,378 restricted.

Sales and Earnings, years to Dec. 31 (in $):

	①Net Sales	Net Profit	No. of Shares	Earn. on Com.
1959	37,710,366	1,341,116	332,920	4.03
1958	31,042,481	956,729	318,271	3.01
1957	24,473,277	270,757	271,438	1.00
1956	23,737,267	410,289	252,284	1.63
1955	23,627,524	400,011	156,721	2.55
1954	15,026,723	125,041	156,721	0.80
1953	22,952,147	359,285	156,721	2.29
1952	17,055,035	322,131	156,721	2.05
1951	17,713,010	329,947	156,721	2.10
1950	13,274,779	575,612	156,721	3.67

①After Federal excise taxes.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1961	1960
Cash	$1,071,431	$725,683
Receivables, net	7,779,017	6,211,232
①Inventories	7,153,353	4,706,370
Tax claim	-------	620,000
Prepayments	207,050	127,160
Total current	$16,160,931	$12,553,505
Land, bldgs., etc.	13,626,483	12,009,115
Deprec. & amort.	5,703,799	4,846,160
Net property	7,922,746	7,162,955
Debt disc. & exp.	130,011	151,421
Investments, etc.	95,470	157,628
Total	$24,319,192	$20,025,509
Liabilities:		
Notes, etc., pay.	$2,099,621	$1,514,466
Accounts payable	3,875,720	2,045,725
Accruals	1,815,851	1,221,019
Fed. inc. tax res.	901,832	179,642
Total current	$8,693,023	$5,052,925
Def. income tax	165,000	60,000
Lse. purch. agree.	1,567,469	1,604,741
Deb. 6s, 1967	631,020	634,029
Deb. 5½s, 1976	3,272,000	3,400,000
①Common stock	974,126	974,126
Paid-in surplus	4,519,127	4,519,127
Retained earnings	4,703,826	3,780,530
Total	$24,319,192	$20,025,509
Net current assets	$7,477,256	$7,500,580
Net tang. com. sh.	$11.78	$10.71

①865,890 $1 par shs. ②Lower cost (fifo) or mkt.

Bank Credit for 3 years negotiated in Feb. 1962 with Pittsburgh National Bank and Continental Illinois Bank & Trust Co., Chicago, provides for borrowing of $1,000,000 in first year; $1,500,000 in second year and $3,000,000 in third year.

Long Term Debt: 1. Cooper Tire & Rubber Co. senior sinking fund debenture 5½s, due 1974:

Rating—Ba

AUTHORIZED—$3,500,000; outstanding, Dec. 31, 1961, $3,272,000.

DATED—Apr. 1, 1959.

MATURITY—Apr. 1, 1974.

INTEREST—A&O at office of trustee.

TRUSTEE—Pittsburgh National Bank, Pittsburgh.

DENOMINATION—Coupon, $1,000, registerable as to principal; fully registered, $1,000 and multiples.

CALLABLE—As a whole or in part on at least 30 days' notice at any time on or after Apr. 1, 1964 to Mar. 31 incl. as follows:

1963	105%	1968	101¾	1967	104¼
1964	103¾	1969	101½	1970	102¾
1971	102½	1972	101¼	1973	101
1974	100¼				

Also callable on like notice for sinking fund beginning Apr. 1, 1963 at 100.

SINKING FUND—To retire $[illegible],000 debentures each Apr. 1, 1963-69 and $400,000 debentures each Apr. 1, 1970-73. Company may receive credit for principal amount or cost to company of reacquisition, whichever is less, of debentures reacquired (other than through purchase fund). Payments will retire 88% of issue by maturity.

PURCHASE FUND—Requires company to set aside not less than $100,000 or more than $200,000 each Apr. 1, 1961-64 for purchase of debentures at not exceeding par. Unused cash at end of any 12-month period shall first be reduced by purchase of debentures otherwise than through purchase fund, balance credited against purchase fund payment for following year.

SECURITY—Not secured.

CREATION OF ADDITIONAL DEBT—Company or a subsidiary may not create funded debt (including debentures) which exceeds 50% of net tangible assets or on which interest payable during any fiscal year exceeds 33⅓% of consolidated net income for preceding fiscal year. Minimum consolidated working capital must be maintained at not less than $1,500,000.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1958 plus $350,000 or if a default exists. At Dec. 31, 1960, $3,351,378 of retained earnings were so restricted.

RIGHTS ON DEFAULT—In event of default (90 day grace period for payment of interest or sinking fund or purchase fund installment), trustee or majority of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to retire term loan of $2,150,000; to purchase and install dual tube production line and for working capital.

WARRANTS—Issued with each $1,000 debenture entitle holder to purchase 50 common shares at $12.50 a share to July 31, 1964 incl. and $15 thereafter to July 31, 1969 incl. Warrants are detachable and exercisable on and after Aug. 1, 1959. Warrant privilege protected against dilution; no adjustment made on issue of up to 20,000 shares under option to key employees.

OFFERED—($3,500,000) on Apr. 22, 1959 by Paine, Webber, Jackson & Curtis, New York; Prescott, Shepard & Co., Inc., Cleveland, and associates, at 100, with warrants as above described.

PRICE RANGE—	1961	1960	1959
With warr.	111-82	129-82	140-100
Ex. warr.	81-76	85-76	-------

2. Cooper Tire & Rubber Co. debenture 6s, due 1967:

AUTHORIZED—$781,360; outstanding, $634,020.

DATED—Jan. 1, 1956.

MATURITY—Jan. 1, 1967.

INTEREST PAYABLE—Semi-annually J&J 1 at Central Trust Co., Cincinnati.

REGISTRAR—Central Trust Co., Cincinnati.

DENOMINATIONS—Coupon $40, $100, $500 and $1,000; not registered as to principal or interest.

CALLABLE—As a whole or in part at option of company by lot at par and accrued interest on two weeks' notice.

SINKING FUND—On Mar. 15 of each year an amount equal to 15% of the previous year's net income in cash or bonds purchased by the corporation (on basis of purchase price) for retirement of bonds, provided current assets at the end of preceding year were at least $500,000 in excess of current liabilities and at least three times current liabilities.

DEFAULT PROVISIONS—No default in payment of interest until unpaid and accrued interest aggregates at least 12% of principal.

OTHER PROVISION—As long as there are any debentures outstanding at least 3 directors of corporation must be bondholders.

SECURITY—Not secured; subordinated to prior payment of senior debt, comprising loans from financial institutions, etc.

PURPOSE—Issued, under exchange offer, for like amount of debenture 4s, due 1967, of Master Tire & Rubber Corp. (former name of company).

TAX STATUS—No provision for assumption or refund of any Federal or state taxes.

TRANSFER AGENT AND REGISTRAR—Central Trust Co., Cincinnati.

Other Debt: Outstanding, Dec. 31, 1961, $1,567,469 equipment lease-purchase agreements payable with interest at 6.8% over 5 years including $411,469 payable in 1961.

Capital Stock: 1. Cooper Tire & Rubber Co. common: par $1:

AUTHORIZED—1,600,000 shares; outstanding, Dec. 31, 1961, 865,890 shares; par $1.

Par changed from no par to $1 in Mar. 1953, share for share.

DIVIDENDS—

On no par shares:

1944-45	$0.45	1946	$0.80	1947	$0.20
1948-49	nil	1950	0.20	1951	0.25
1952-54	0.30	1955	0.50	1956	0.75
①1957	0.50				

On $1 par shares:

1958	0.52½	1959	1.10

On $1 par shares (after 100% stk. div.):

①1960	0.47½	1961	0.25

①Also stock dividends: 1957, 5%; 1958, 10%; Feb. 1960, 100%.

VOTING RIGHTS—Has one vote per share.

PREEMPTIVE RIGHTS—None.

TRANSFER AGENT AND REGISTRAR—National Bank of Detroit.

LISTED—On New York Stock Exchange.

OFFERED—(33,647 shares, balance of 97,950 shares offered to stockholders) at $10.50 per share July 13, 1956 by Prescott & Co.

100,000 shares at $38 per share (proceeds to company $35.53 per share), Dec. 29, 1959 by Paine, Weber, Jackson and Curtis, New York, and associates.

PRICE RANGE—	1961	①1960	1959	1958	1957
High	15⅛	16	47	20	10
Low	7⅜	6	20⅜	5½	6⅜

①Since listing and after split; before, 37-33⅓ (bid prices).

Subscription Rights: Common stockholders of record June 19, 1956 had right to subscribe to 97,950 common shares at $10.50 a share on basis of 1¼ shares for each 2 shares held. Rights expired July 12, 1956. Offering underwritten by Prescott & Co., Cleveland and associates.

Stock Options held by officers and key employees at Dec. 31, 1961, on 40,000 shares at $15 and $17.25 a share expire to Sept. 11, 1964.

COPELAND REFRIGERATION CORP.

History: Incorporated Sept. 14, 1933, in Michigan.

Business: Manufactures for commercial refrigeration industry compressors and condensing units from 1/6 to 30 h.p. Company has licensees in England, West Germany, France, Spain and Argentina.

Property: Plant in Sidney, Ohio, contains 270,000 sq. ft. of manufacturing floor space. Plant in Brantford, Ont., Canada contains 100,000 sq. ft. of manufacturing space.

Subsidiaries: Copeland of Canada, Ltd.; Copeland Refrigeration de Mexico, S.A.

Officers: F. J. Gleason, Pres.; O. H. Buschmann, Senior Vice-Pres.; W. G. Von Meyer, R. G. Berg, B. W. Moreland, R. G. Mozley, Vice-Pres.; F. J. Gleason, Jr., Treas.; J. C. Richard, Contr.; I. M. Jarfas, Sec. and Asst. Treas.; M. L. Burns, Asst. Sec.

Directors: B. W. Moreland, F. J. Gleason, O. H. Buschmann, W. L. Hurley, H. K. Forgyth, Bruce Hammerschmidt, J. L. Buell, Jr., R. G. Berg, F. J. Gleason, Jr.

General Counsel: Marion K. Kellogg, Charlottesville, Va.

Auditors: Ernst & Ernst.

Annual Meeting: Fourth Tuesday in Jan.

No. of Stockholders: Sept. 30, 1961, 502.

No. of Employees: Dec. 31, 1961, 1,337.

Office: Sidney, Ohio.

Income Account, years ended Sept. 30:

	①1961	1960
Net sales	$35,372,201	$39,561,961
Cost of sales	29,316,147	33,513,978
Selling, etc., exp.	1,462,734	1,237,527
Depreciation	812,891	592,164
Oper. profit	3,770,429	4,219,292
Other income	124,984	74,527
Total income	3,895,413	4,292,819
Interest	103,308	114,023
Fed. income tax	1,959,000	2,172,000
Net profit	1,842,105	2,006,824
Prev. retain. earn.	6,958,579	6,673,166
Dividends	736,099	721,412
Retain. earn., 9-30	②8,064,585	8,958,578
Earn., cum. share	$2.22	$2.50
No. of com. shares	830,994	802,600

①Incl. $1,220,000 not restricted. ②Consol.

Cooper 1963 1996A

Directors: Max Freedman, J. H. Jackier, H. F. McVay, J. H. Aron, D. G. Skall, M. K. Glass, A. K. Shaw.
Auditors: Ernst & Ernst.
General Counsel: Ulmer, Berne, Laronge, Glickman & Curtis, Cleveland.
Annual Meeting: Last Thursday in Mar.
No. of Stockholders: Dec. 31, 1962, 3,872.
No. of Employees: Dec. 31, 1962, 1,990.
Executive Offices: 16501 Rockside Road, Maple Heights, Cleveland 37, O.
No. of Stores: 1962, 52; 1961, 47.

Consolidated Income Account

	52 weeks to— Dec. 29,'62	Dec. 30,'61
Net sales	$129,775,982	$120,973,434
Costs & expenses	113,089,944	116,225,859
Depreciation	1,946,035	1,526,704
Operating profit	4,739,913	3,210,871
Gain prop. dispos.	dr 100,000	18,318
Total income	4,639,900	3,229,189
Interest	545,900	429,066
Fed. income tax	1,892,400	1,350,000
Net profit	2,089,600	1,449,123
Prev. retain. earn.	6,122,304	6,319,051
Dividends (stock)	1,406,496	1,813,540
Stock premium	837,297	135,960
Acq. retain. earn.	----------	37,650
Retained earnings	[1]5,968,013	6,122,304
Earn. com. sh.	$1.39	[2]$1.04
Com. shares	1,397,544	[3]1,392,260

[1]Incl. $537,000 not restricted. [2]$1.38 on 1,401,789 shs. adj. for 3% stk. div. 6/62 and 12/62. [3]$1.45 (1961, $0.95) on 1,442,544 (1961, 1,518,799) shs. incl. 45,000 issued in Feb. 1962 as final payment in acq. of Uncle Bill's Discount Stores.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1962	129,775,982	1,537,311	1,244,749	1.24
1961	120,973,434	1,648,554	1,209,799	1.36
[1]1960	79,665,015	1,139,528	1,139,049	1.00
1957	79,395,030	1,360,644	1,041,841	1.31
1956	67,248,565	1,434,854	972,976	1.47
1955	60,933,074	1,210,834	458,969	2.64
1954	54,240,831	874,555	428,133	2.04
1953	48,647,313	843,513	419,450	2.01
[1]1952	44,154,171	795,964	412,500	1.93
1951	31,524,471	754,815	404,000	1.86

[1]53 weeks.

Adjusted earns. & shs. for stk. splits & stk. divs.:
Earnings ($): 1962, 1.10; 1959, 1.14; 1958, 0.79; 1957, 0.88; 1956, 1.03; 1955, 0.88; 1954, 0.63; 1953, 0.64; 1952, 0.61; 1951, $0.59.
Shares: 1962, 1,400,965; 1959, 1,444,500; 1958, 1,421,862; 1957, 1,409,026; 1956, 1,387,172; 1955, 1,375,029; 1954, 1,346,725; 1953, 1,319,422; 1952, 1,297,500; 1951, 1,277,114.

Consolidated Balance Sheet:

Assets:	Dec. 29,'62	Dec. 30,'61
Cash	$2,312,154	$1,837,964
Receivables, net	2,051,944	2,060,277
[1]Inventories	11,119,699	9,288,549
Prepayments, etc.	850,799	748,808
Total current	$16,334,597	$13,955,598
[1]Net property	14,441,631	14,017,090
Land	2,920,403	2,914,910
Life ins., cash val.	151,567	124,485
Invest. & receiv.	892,719	726,485
Total	$34,960,960	$32,738,568
Liabilities:		
Accounts payable	$4,810,617	$4,825,759
Accr. taxes, etc.	1,309,321	1,084,728
Empl. insur. depos.	170,307	176,089
Fed. income tax	1,385,113	764,483
Debt due	680,878	677,388
Total current	$8,356,239	$7,528,447
Notes payable	10,418,762	9,159,639
Retire. fund	91,177	----------
Def. Fed. inc. tax	[2]-------	728,000
Common stk. ($1)	1,397,544	1,392,260
Paid-in surplus	[3]8,859,228	7,807,818
Retained earnings	5,968,013	6,122,304
Total	$34,950,963	$32,738,569
Net current assets	$12,178,358	$6,427,151
Net tang. com. sh.	$11.47	[4]$11.00
[1]Depr. & amort.	$8,381,150	$5,967,537

[1]Lower cost or mkt. [2]After cred. $5,378 on stk. opt., $1,270,274 on stk. divs., $121,244 on shs. issued on acq., and deduct. $53,495 proport. sh. cost com. shs. acq. [3]After deduct. $728,000 tfr. to deprec. & amort. ($310.40 adj. for 3% stk. divs. 6/62 and 12/62.

Note: At Dec. 31, 1961, annual rentals on leases expiring 3 to 27 yrs., totaled $1,496,000.

Term Loan Agreement negotiated in 1961 with Cleveland Trust Co., and Prudential Life Insurance Co., permits borrowing of $11,000,000 to be repaid at rate of $600,000 a year. As of Dec. 31, 1962, $11,600,000 had been borrowed. Agreement permits company to borrow up to $5,000,000 for short term needs and mortgage funds for future building requirements.

Long Term Debt: Outstanding, Dec. 30, 1962, $10,478,762 comprising (1) $8,000,000 note payable $600,000 annually beginning 1967, balance due 1976 (2) $1,650,000 3½% note payable $600,000 annually to 1968 (3) $828,762 4½% to 5½% notes payable. Company agrees to maintain consolidated working capital of $5,000,000 and cash dividends are limited to shareholders. At Dec. 30, 1962, $337,000 of retained earnings were not so restricted.

Capital Stock Cook Coffee Co. common; par $1:
AUTHORIZED—2,500,000 shares; outstanding, 1,397,544 shares; in treasury, 3,050 shares; reserved for options, 50,930 shares; par $1 changed from no par, share-for-share, in Mar., 1951; $1 par shares split 2-for-1 July 30, 1956.
VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.
PREEMPTIVE RIGHTS—None.
DIVIDEND RESTRICTIONS—See term loan above.
DIVIDENDS—
On $1 shares (prior to 2-for-1 split): 1951 to 1954, $1; 1955, $1 and 5% in stock; 1956, 25 cents and 2% in stock.
On $1 shares (after 2-for-1 split): 1956, 3% in stock; 1957 to 1962, incl., 6% in stock.
TRANSFER AGENTS—Cleveland Trust Co., Cleveland and Bankers Trust Co., New York.
REGISTRAR—Cleveland Trust Co.
OFFERED—(81,250 shares) at $13 per share on Mar. 28, 1950 by A. G. Becker & Co., Inc., Chicago, and Merrill, Turben & Co., Cleveland and 100,000 $1 par shares at $18.25 per share on Dec. 15, 1960 by Goldman, Sachs & Co., New York and associates. Offerings did not represent company financing.

PRICE RANGE—	1962	1961	1960	1959	1958
High	20¾	26	22¼	24¼	17¾
Low	14½	16½	15½	17½	9

Stock Options held by certain officers and employees at Dec. 31, 1962 on 50,930 shares at prices from $14.25 to $17.95 a share.

COOPER TIRE & RUBBER CO.

History: Incorporated under Delaware laws Mar. 26, 1930 as Master Tire & Rubber Corp. and acquired complete control through exchange of securities, of Falls Rubber Co., Cuyahoga Falls, O., Giant Tire & Rubber Co., Findlay, O., and Cooper Corp. Present name adopted July 1, 1946. In 1961, name change of subsidiary, Falls Rubber Co. to Cooper Industrial Products, Inc.

Business: Engaged in the manufacture and sale of tires and tubes for passenger cars, trucks and buses; repair material and industrial rubber products. Retail activities are confined to service stations at Findlay, Ohio.
Wholesale branches in Boston, Pittsburgh, Los Angeles, Chicago and Indianapolis, Atlanta, Memphis, New York City, San Francisco, Dallas, Kansas City, Minneapolis-St. Paul, Minn., Findlay, Ohio, Detroit, Cincinnati, St. Louis and Syracuse.

Properties: Main plant owned in Findlay, O., consists of 31 buildings with 392,864 sq. ft., including 35,860 sq. ft. for storage. Also owns 46,768 sq. ft. plant in Clarksdale, Miss. A 140,000 sq. ft. plant is leased in Auburn, Ind.
Additional warehousing space aggregating 231,767 sq. ft. is leased in Findlay and a total of 218,771 sq. ft. in Fostoria, Lima and Toledo, O., and Clarksdale, Miss.
Sales offices, service and warehousing space aggregating 234,429 sq. ft. is leased at branch locations. Company leases with option to purchase part of manufacturing equipment for 5 year periods expiring 1964 and 1965.

Subsidiaries (wholly-owned): Cooper Corp., Cooper Industrial Products, Inc. and Giant Tire & Rubber Co. are selling agents and Clarksdale Rubber Co. operates plant at Clarksdale, Miss.

Officers: K. L. Frost, Chmn.; W. B. Brewer, Pres.; E. E. Brewer, W. R. Brewer, C. P. Weaver, Vice-Pres.; B. E. Esterly, Vice-Pres. and Sec.-Treas.; C. R. Cain, Contr.; W. T. Yale, Asst. Treas.; M. E. Monroe, Asst. Sec.

Directors: J. F. Schaefer, W. B. Brewer, C. P. Weaver; J. J. Twomey, Cincinnati; E. T. Adams, Cleveland; K. L. Frost, W. Robert Brewer, M. J. Stone, Mt. Vernon, O.; R. W. Bruce, Tazewell, Va.

Auditors: Arthur Young & Co.

General Counsel: Marshall, Melhorn, Bloch & Belt, Toledo, O.

Annual Meeting: Last Saturday in Apr.

No. of Stockholders: Dec. 31, 1962, 3,333.

No. of Employees: Dec. 31, 1962, 1,911.

Offices: Findlay, O.

Consolidated Income Account, years ended Dec. 31:

	1962	1961
Net sales	$47,566,433	$40,990,181
Cost of sales	36,251,719	31,682,831
Selling, etc., exp.	7,401,339	6,493,908
Operating profit	3,913,375	2,813,442
Other income	73,760	67,783
Total income	3,987,135	2,881,225
Int. & debt exp.	610,707	536,456
Fed. income tax	1,760,000	1,100,000
Deferred inc. tax	100,000	105,000
[1]Net profit	1,516,428	1,139,769
Retain. earn., 1-1	4,703,826	3,780,530
Dividends, cash	519,744	216,473
Retain. earn., 12-31	[2]5,700,510	4,703,826
[3]Times chg. earn.	6.53	5.37
Earn., com. shares	$1.75	$1.32
No. of com. shares	868,240	865,890

[1]Bef. inc. tax. [2]After $1,206,292 (1961, $1,100,120) deprec. [3]$335,731 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

	[1]Net Sales	Net Profit	No. of Shares	Earn. on Com.
1960	36,021,094	d 486,057	865,890	d 0.56
1959	37,710,368	1,341,116	332,920	4.03
1958	31,042,481	936,729	318,271	3.01
1957	24,473,277	270,737	271,438	1.00
1956	23,737,347	410,389	252,264	1.63
1955	23,627,394	400,011	156,721	2.55
1954	15,026,123	125,041	154,721	0.80
1953	22,952,147	359,285	156,721	2.29
1952	17,056,035	322,131	156,721	2.03
1951	17,713,010	329,947	156,721	2.10

[1]After federal excise taxes.

Adjusted earns. & shs. for stk. splits & stk. divs.:
Earnings ($): 1959, 2.02; 1958, 1.51; 1957, 0.46; 1956, 0.71; 1955, 1.10; 1954, 0.35; 1953, 0.99; 1952, 0.89; 1951, 0.91.
Shares: 1959, 665,840; 1958, 636,542; 1957, 597,164; 1956, 582,730; 1955-51, 362,026.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1962	1961
Cash	$1,561,021	$1,081,481
Receivables, net	8,150,301	7,719,047
[1]Inventories	8,914,003	7,133,353
Prepayments	172,402	207,050
Total current	$18,797,727	$16,160,931
[1]Net property	7,832,581	7,932,780
Debt disc. & exp.	111,547	130,011
Investments, etc.	111,363	95,470
Total	$26,853,219	$24,319,192
Liabilities:		
Notes, etc., pay.	$606,024	$2,090,021
Accounts payable	3,356,986	3,875,929
Accruals	1,810,690	1,815,851
Fed. inc. tax res.	1,453,924	901,832
Total current	$7,227,624	$8,683,633
Notes payable	3,500,000	----------
Def. income tax	265,000	165,000
Lse. purch. agree.	861,436	1,367,460
Deb. 6s, 1967	634,020	634,020
Deb. 5¼s, 1974	3,167,000	3,272,000
[2]Common stock	974,520	974,128
Paid-in surplus	4,523,108	4,519,127
Retained earnings	5,700,510	4,703,826
Total	$26,853,219	$24,319,192
Net current assets	$11,570,103	$7,477,298
Net tang. com. sh.	$12.92	$11.79
[1]Depreciation	$6,330,890	$5,703,709

[2]868,240 (1961, 865,890) $1 par shs. [1]Lower cost (fifo) or mkt.

Bank Credit for 3 years negotiated in Feb. 1962 with Pittsburgh National Bank and Continental Illinois Bank & Trust Co., Chicago, provides for borrowing of $4,000,000 in first year; $3,500,000 in second year and $3,000,000 in third year. At Dec. 31, 1962, $3,500,000 5½% notes were outstanding.

Long Term Debt: 1. **Cooper Tire & Rubber Co. senior sinking fund debenture 5¼s, due 1974:**

Rating—Ba

AUTHORIZED—$3,500,000; outstanding, Dec. 31, 1962, $3,167,000.
DATED—Apr. 1, 1959.
MATURITY—Apr. 1, 1974.
INTEREST—A&O1 at office of trustee.
TRUSTEE—Pittsburgh National Bank, Pittsburgh.
DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and multiples.
CALLABLE—As a whole or in part on at least 30 days' notice at any time on or after Apr. 1, 1964 to Mar. 31 incl. as followws:

1965	105¼	1966	104¾	1967	104¼
1968	103¾	1969	103¼	1970	102¾
1971	102¼	1972	101¾	1973	101
1974	100¼				

Also callable on like notice for sinking fund beginning Apr. 1, 1965 at 100.
SINKING FUND—To retire $300,000 debentures each Apr. 1, 1965-69 and $400,000 debentures each Apr. 1, 1970-73. Company may receive credit for principal amount or cost to company of reacquisition, whichever is less, of debentures reacquired (other than through purchase fund). Payments will retire 88% of issue by maturity.
PURCHASE FUND—Requires company to set aside not less than $100,000 or more than $200,000 each Apr. 1, 1961-64 for purchase of debentures at not exceeding par. Unused cash at end of any 12-month period shall first be reduced by purchase of debentures otherwise than through purchase fund; balance credited against purchase fund payment for following year.
SECURITY—Not secured.
CREATION OF ADDITIONAL DEBT—Company or a subsidiary may not create funded debt (including debentures) which exceeds 50% of net tangible assets or on which interest payable during any fiscal year exceeds 33⅓% of consolidated net income for preceding fiscal year. Minimum consolidated working capital must be maintained at not less than $4,500,000.
DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1958 plus $350,000 or if a default exists. At Dec. 31, 1962, $333,731 of retained earnings was not so restricted.
RIGHTS ON DEFAULT—In event of default (90 day grace period for payment of interest or sinking fund or purchase fund installment), trustee or majority of debentures may declare principal due and payable.

COOPER 1963(2) 1997A

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.
PURPOSE—Proceeds to retire term loan of $2,150,000; to purchase and install dual tube production line and for working capital.
WARRANTS—Issued with each $1,000 debenture entitle holder to purchase 50 common shares at $12.50 a share to July 31, 1964 incl. and $15 thereafter to July 31, 1969 incl. Warrants are detachable and exercisable on and after Aug. 1, 1959. Warrant privilege protected against dilution; no adjustment made on issue of up to 20,000 shares under option to key employees.
OFFERED—($3,500,000) on Apr. 22, 1959 by Paine, Webber, Jackson & Curtis, New York; Prescott, Shepard & Co., Inc., Cleveland, and associates, at 100, with warrants as above described.

PRICE RANGE—	1962	1961	1960	1959
With warr.:				
High	119	111	129	140
Low	92	82	82	100
Ex-warr.:				
High	89	84	85	—
Low	83	76	76	—

2. Cooper Tire & Rubber Co. debenture 6s, due 1967:
AUTHORIZED—$781,360; outstanding, $634,020.
DATED—Jan. 1, 1956.
MATURITY—Jan. 1, 1967.
INTEREST PAYABLE—Semi-annually J&J 1 at Central Trust Co., Cincinnati.
REGISTRAR—Central Trust Co., Cincinnati.
DENOMINATIONS—Coupon $40, $100, $500 and $1,000; not registered as to principal or interest.
CALLABLE—As a whole or in part at option of company by lot at par and accrued interest on two weeks' notice.
SINKING FUND—On Mar. 15 of each year an amount equal to 15% of the previous year's net income in cash or bonds purchased by the corporation (on basis of purchase price) for retirement of bonds, provided current assets at the end of preceding year were at least $600,000 in excess of current liabilities and at least three times current liabilities.
DEFAULT PROVISIONS—No default in payment of interest until unpaid and accrued interest aggregates at least 12% of principal.
OTHER PROVISION—As long as there are any debentures outstanding at least 3 directors of corporation must be bondholders.
SECURITY—Not secured; subordinated to prior payment of senior debt, comprising loans from financial institutions, etc.
PURPOSE—Issued, under exchange offer, for like amount of debenture 4s, due 1967, of Master Tire & Rubber Corp. (former name of company).
TAX STATUS—No provision for assumption or refund of any Federal or state taxes.
TRANSFER AGENT AND REGISTRAR—Central Trust Co., Cincinnati
Other Debt: Outstanding, Dec. 31, 1962, $561,436 equipment lease-purchase agreements payable with interest at 6.8% over 5 years including $506,024 payable in 1962.

Capital Stock: 1. Cooper Tire & Rubber Co. common par $1:
AUTHORIZED—1,600,000 shares; outstanding, Dec. 31, 1961, 865,850 shares; par $1.
Par changed from no par to $1 in Mar. 1958, share for share.
DIVIDENDS—

On no par shares:						
1944–45	$0.75	1948	$0.80	1947	$0.20
1946–49	nil	1950	0.20	1951	0.25
1952–54	0.50	1955	0.50	1956	0.75
[1]1957	0.50				

On $1 par shares:			
1958	0.52½	1959	1.10

On $1 par shares (after 100% stk. div.):					
[2]1960	0.47½	1961	0.25	1962	0.60
[2]1963	0.15				

[1]Also stock dividends: 1957, 5%; 1958, 10%; Feb. 1960, 100%.
[2]To Mar. 30.

VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
TRANSFER AGENTS—Chemical Bank New York Trust Co. and National Bank of Detroit.
REGISTRARS—Morgan Guaranty Trust Co., New York and Manufacturers National Bank of Detroit.
DIVIDEND DISBURSING AGENT—Chemical Bank New York Trust Co.
LISTED—On New York Stock Exchange.
OFFERED—(33,647 shares, balance of 97,950 shares offered to stockholders) at $10.50 per share July 13, 1956 by Prescott & Co.
100,000 shares at $38 per share (proceeds to company $35.53 per share), Dec. 29, 1959 by Paine, Weber, Jackson and Curtis, New York, and associates.

PRICE RANGE—	1962	1961	1960	1959	1958
High	15⅞	15½	16	47	20
Low	8⅝	7⅛	8	20⅜	5½

[1]Since listing and after split; before, 37-33½ (bid prices).

Subscription Rights: Common stockholders of record June 19, 1956 had right to subscribe to 97,950 common shares at $10.50 a share on basis of 1¼ shares for each 2 shares held. Rights expired July 12, 1956. Offering underwritten by Prescott & Co., Cleveland and associates.
Stock Options held by officers and key employees at Dec. 31, 1962 on 20,000 shares at $15 and $17.25 a share expire to Sept. 11, 1964.

COPPER RANGE CO.

History: Incorporated under laws of Michigan, Jan. 20, 1899. In 1915 acquired property and assets of Copper Range Consolidated Co. by exchange of shares.
Acquired assets and property of Baltic Mining Co. in 1917; Trimountain Mining Co. in 1923; Atlantic Mining Co. in 1925 and Champion Copper Co., Dec. 31, 1931, all four companies previously controlled.
In 1928 entire mineral rights of Whealkate Mining Co. and South Range Copper Co. were acquired, and also an option to purchase entire tract of Globe Mining Co. During 1929 purchased properties of White Pine Copper Co. and Victoria Copper Co., control of stock of National Mining Co., and mineral rights adjacent to the Atlantic mine, all at total cost of $163,813. During 1929, also acquired Copper Range Motor Bus Co. from Copper Range R.R.
In Aug., 1931, acquired control of C. G. Hussey & Co. of Pittsburgh, manufacturer of sheet copper, etc., and in Dec., 1934, remaining stock was acquired.
During 1931, acquired (for $15,000) entire property of Naumkeag Copper Co., aggregating 1,072 acres of mineral lands and 420 acres of surface, adjacent to and lying east of the Atlantic Mine, owned by Copper Range Co. On Dec. 23, 1931, acquired assets of St. Mary's Mineral Land Co. and St. Mary's Canal Mineral Land Co. through exchange of stock on share for share basis. In 1937 acquired 2985 acres of land adjoining Champion Mine known as "Globe Properties."
In 1959 formed Copper Range Sales Co. and acquired minority interest in Alloyd Corp.
Business: Company operates copper mines in Lake Superior district; also operates copper and brass rolling mills at Pittsburgh, Pa., through its C. G. Hussey & Co. division. Also harvests timber from land department for lumber and pulpwood.
Properties: Champion Mine, with area of 11,306 acres, is located at Painesdale, Houghton County, Mich. White Pine Mine, consisting of 19,599 acres, is located at White Pine, Ontonagon County, Mich.; reserves for this ore body were estimated at 309,660,000 tons at Dec. 31, 1954.
Plant of the C. G. Hussey Division is located on a 62 acre tract in Leetsdale, Pa.
Leases: The Douglass Mine, in Keweenaw County, Mich., comprising about 440 acres, is operated by Calumet & Hecla, Inc. under a lease agreement entered into Sept. 17, 1941, and extending until Sept. 1, 1968. Royalties payable to lessor are on a sliding scale basis depending on selling price of copper.
Subsidiaries: Wholly-owned subsidiaries are Champion Copper Co. (inactive), St. Mary's Canal Mineral Land Co. (inactive), C. G. Hussey & Co., Inc., Copper Range Sales Co., and White Pine Copper Co.
Company also owns 8,199 preferred and 16,868 common shares of Copper Range R.R. Co. (80.6%) (see Moody's Transportation Manual).
Company owns 14% interest in Alloyd Electronics Corp.
White Pine Project: Company's subsidiary White Pine Copper Co. was organized in 1950 to take over part of company's White Pine ore body in northern Michigan for development. Actual operations started Jan. 13, 1955.
On Nov. 15, 1951, the RFC approved 20-year 5% mortgage loans totalling $84,396,599 to finance development work and for construction of mining, milling, smelting and housing facilities. At Dec. 31, 1962, loan had been reduced to $13,095,731.
Loan agreement provides for a fixed sinking fund of $420,000 quarterly beginning July 1, 1956 or 18 months after completion of project, whichever is earlier and a contingent sinking fund of 50% of annual earnings before depreciation, depletion, etc. but after income taxes. Any tax savings resulting from accelerated amortization are to be applied to payments on the loan. Loan is secured by mortgage on the property.
White Pine agrees to maintain working capital of not less than $3,000,000 and not pay dividends on its stock. Copper Range Co. agreed to advance a total of $13,000,000 to White Pine over a period of years for initial working capital, interest, etc. Until such payments were made Copper Range agreed not to pay any dividends if its commitments under the RFC loan were in default, and could not, without RFC consent, pay dividends in cash and property in excess of $565,000 in any one year, or mortgage any fixed assets. Copper Range paid this commitment in June, 1958, eliminating restrictions.
In June, 1955 White Pine Copper Co. sold 14-mile railroad line to Duluth, South Shore & Atlantic R.R. Co. for $520,285, receiving $173,423 cash and balance in 5% secured notes.
Officers: James Boyd, Pres.; J. V. O'Connor, Jr., W. P. Nicholls, C. L. Nielsen, H. P. Croft, R. C. Cole, Vice-Pres.; G. R. McGrath, Compt.; J. Roland Ackroyd, Sec. and Treas.; Henry Combellack, J. S. Leonard, Asst. Treas. and Asst. Sec.; D. N. Crafts, Asst. Sec.
Directors: Stephen Paine, J. P. Lally, D. C. Power, N. J. Darling, George Olmstead, Jr., J. R. Rand, R. B. Stearns, James Boyd, J. R. Van Pelt, E. J. Sargeant, I. B. Joralemon.
General Counsel: Hopes & Gray, Boston.
Auditors: Scovell, Wellington & Co.
Annual Meeting: First Wednesday in May.
No. of Stockholders: Dec. 31, 1962, 5,221.
No. of Employees: Dec. 31, 1962, 2,452.
Office: 630 Fifth Ave., New York, N. Y.
Sales Office: 50 Rockefeller Plaza, New York 20.
Mine Offices: Houghton and White Pine, Mich.

Copper Production (lbs.):			
1962	117,484,025	1957	74,938,684
1961	112,881,034	1956	80,426,212
1960	79,583,193	1955	68,187,433
1959	74,776,464	1954	4,157,584
1958	86,431,989	1953	4,365,857

Lumber Production (ft. b.m.):			
1962	7,189,000	1957	8,905,000
1961	7,170,000	1956	7,890,000
1960	5,605,000	1955	4,675,269
1959	6,925,000	1954	4,870,014
1958	8,150,000	1953	5,256,755

Production (lbs.):	1962	1961
Years to Dec. 31	117,484,025	112,881,034

Consolidated Income Account, years ended Dec. 31 (incl. wholly-owned subs.):

	1962	1961
Sales	$47,767,588	$49,922,668
Other income	842,292	965,403
Total	48,609,880	50,888,063
Cost of sales, etc.	34,709,011	38,710,101
Selling, etc., exp.	4,373,703	4,228,676
Depreciation	3,353,798	3,338,030
Interest	1,823,464	1,953,617
Fed. income tax	[3]1,050,000	[3]—
[2]Net income	3,299,904	2,657,639
Earn. surplus, 1-1	21,669,802	19,012,163
Earn., surp., 12-31	24,969,706	21,669,802
Earned per share	$1.76	$1.42
Number of shares	1,877,573	1,877,473

[1]Before depletion. [2]Elim. due to loss carry-fwd. [3]Reduced by approx. $1,100,000 due to tax loss carry-fwd.

Sales and Earnings, years to Dec. 31 (in $):

	Sales	[1]Net Income	No. of Shares	Earn. on Com.
1960	$4,201,897	d1,291,022	1,877,473	d0.69
1959	41,703,885	2,405,096	1,877,473	1.28
1958	39,073,364	2,585,209	1,877,473	1.38
1957	42,450,275	2,164,979	1,877,473	1.15
1956	49,387,988	9,155,972	1,875,420	4.88
1955	47,736,518	9,040,059	1,778,534	5.04
1954	21,322,275	2,223,184	706,158	3.15
1953	23,026,180	3,307,092	706,124	4.68
1952	24,283,758	2,006,478	706,153	2.84
1951	21,468,927	1,041,822	706,153	1.47

[1]Before depletion.
Adjusted earns. & shs. for stk. splits & stk. divs.:
Earnings ($): 1955, 4.84; 1954, 1.43; 1953, 2.12; 1952, 1.29.
Shares: 1955, 1,867,461; 1954-52, 1,537,078.

Consolidated Balance Sheet, as of Dec. 31 (incl. wholly-owned subs.):

Assets:	1962	1961
Cash	$2,744,934	$3,732,729
U. S. Govt. secur.	12,449,789	13,530,153
Certif. of deposit	250,000	200,000
Receivables, net	4,428,530	4,101,223
[1]Inventories	9,258,430	8,267,066
Prepaid expenses	276,365	236,248
Total current	$29,408,068	$30,158,421
Mines, etc. & dev.	11,586,784	11,111,679
Bldgs., mach., etc.	81,986,662	79,[illegible]
Total	93,573,477	90,[illegible]
Depreciation	33,011,368	29,345,[illegible]
Net property	60,562,089	58,[illegible]
Copper Rge. R.R.	1,057,131	1,[illegible]
Other invest.	1,734,955	1,[illegible]
Deferr. exps., etc.	178,484	[illegible]
Total	$92,930,727	$[illegible]
Liabilities:		
Accruals	$1,397,048	$[illegible]
Accounts payable	2,125,753	[illegible]
Fed. income tax	746,513	—
Total current	$4,269,313	$[illegible]
Mtge. notes pay.	33,093,731	[illegible]
Deferred credit	658,718	—
Capital stk. ($5)	9,387,365	[illegible]
Capital surplus	20,543,414	[illegible]
Earned surplus	24,969,706	[illegible]
Total	$93,930,727	$[illegible]
Net current assets	$25,138,755	$[illegible]
Net tang. per sh.	$29.73	$[illegible]

[1]Metal content at cost (lifo) other inventories cost (fifo) or mkt.
Note: Mines, lands, timber, etc., not reduced by depl. chgs.

Capital Stock: 1. Copper Range Co. stock: par $5:
AUTHORIZED—3,000,000 shares, outstanding Dec. 31, 1962, 1,877,573 shares (includes 7,167 shares reserved for exchange for Quincy & Lake Superior Mineral Land Co. stock); par $5 (changed from $25 to no par Dec. 19, 1951, share for share, and from no par to $5 par Mar. 18, 1953, one additional $5 share issued for each share held).
American Metal Climax, Inc. (see general index) owns 378,600 shares.

RIGHTS ON DEFAULT—Trustee or 25% debentures may declare principal due and payable (30 days' grace period for interest payment).
SECURITY—Not secured, subordinated to senior debt.
CREATION OF ADDITIONAL DEBT—Company may not create additional funded debt (except for refundings) unless thereafter consolidated tangible assets less consolidated liabilities (other than funded debt) equal at least 200% of funded debt.
DIVIDEND RESTRICTIONS—Company may not pay cash dividends on or acquire stock in excess of consolidated net income after Dec. 31, 1959 plus $1,500,000 and net proceeds of sale of stock or of any indebtedness (including debentures) after Sept. 1, 1960 converted into stock.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.
PURPOSE—Proceeds to repay part of $10,010,000 installment note due Jan. 1, 1961, part of $28,010,000 note issued in acquisition of Chris-Craft Corp.
OFFERED—($7,500,000) at 102½ (proceeds to company, 100) on Oct. 24, 1960 by Shields & Co. and Lehman Brothers, New York, and associates.

PRICE RANGE—	1963	1962	1961	1960
High	88	118	131	109⅛
Low	77½	68	93¼	92½

Capital Stock: 1. Chris-Craft Industries, Inc., common; par $1;
AUTHORIZED—3,000,000 shares; outstanding, Dec. 31, 1963, 1,445,505 shares including those issued by 5% stock dividend payable Jan. 1964; in treasury, 93,938 shares; reserved for options, 31,417 shares; reserved for warrants, 82,688 shares; reserved for conversion of debentures, 236,146 shares; par $1.
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
PURPOSE—402,874 shares issued in 1937 in exchange for class A common on the basis of two new shares for each class A share held.

DIVIDENDS PAID—					
1937	d$0.25	1938-39	nil	1940	$0.70
1941	0.60	1942	$0.15	1943	0.50
1944	nil	1945	0.30	1946-47	0.60
1948	1.00	1949	1.60	1950	1.70
1951-53	2.00	1954	1.25	[f]1955	1.00
1956	0.75	1957-59	nil	1960	0.25
[g]1961-63	nil	[h]1964	[2]		

[1] Paid in cash or 1/400th share of former 6% preferred.
[2] Also paid dividends: 1955, 10%; 1962, 5%; Jan. 7, 1964, 5%.
[3] To Jan. 8.
OFFERED—86,310 shares at $11.50 per share (proceeds to company $10.65 per share) on July 28, 1944 by a syndicate headed by Reynolds & Co., New York. Net proceeds were used to increase working capital.
178,000 shares at $19.875 per share on April 18, 1946 by a syndicate headed by Reynolds & Co., New York. Proceeds of 150,000 shares accrued to company and were used to repay bank loans, for plant expansion and for machinery and equipment, while the remaining 28,000 shares were sold for account of California Cotton Mills Co., a stockholder.
300,000 shares at $37.125 a share (proceeds to company, $34.625 a share) on Apr. 27, 1960, by Shields & Co., New York, and associates. Proceeds to pay $6,000,000 short-term bank loan incurred for acquisition of Chris-Craft Corp. and for general purposes.

PRICE RANGE—	1963	1962	1961	1960	1959
High	18⅛	33⅞	41⅜	66⅝	19⅞
Low	12⅛	8⅛	25¾	12⅞	13⅛

Transfer and Dividend Disbursing Agents: Morgan Guaranty Trust Co., N. Y.
Registrars: First National City Bank, New York.
Listed: On New York and Pacific Coast Stock Exchanges; unlisted trading on Detroit and Philadelphia-Baltimore-Washington Stock Exchanges.
Warrants held by 53[4] note holders on 82,688 shares at $29.48 a share, expire Oct. 10, 1971.
Stock Options held by officers and employees at Dec. 31, 1963 on 31,417 shares at $12.47 a share expire 1973.

COOPER TIRE & RUBBER CO.

History: Incorporated under Delaware laws Mar. 26, 1930 as Master Tire & Rubber Corp. and acquired complete control through exchange of securities, of Falls Rubber Co., Cuyahoga Falls, O., Giant Tire & Rubber Co., Findlay, O., and Cooper Corp. Present name adopted July 1, 1946. In 1961, name change of subsidiary, Falls Rubber Co. to Cooper Industrial Products, Inc.
Business: Engaged in the manufacture and sale of tires and tubes for passenger cars, trucks and buses; repair material and industrial rubber products. Retail activities are confined to service stations at Findlay and Lima, Ohio.
Wholesale branches in Boston, Pittsburgh, Los Angeles, Chicago and Indianapolis, Atlanta, Memphis, New York City, San Francisco, Dallas, Kansas City, Minneapolis-St. Paul, Minn., Findlay, Ohio, Detroit, Cincinnati, St. Louis and Syracuse.
Properties: Main plant owned in Findlay, O., consists of 31 buildings with 392,864 sq. ft., including 35,860 sq. ft. for storage. Also owns 46,768 sq. ft. plant in Clarksdale, Miss. A 140,000 sq. ft. plant is leased in Auburn, Ind. A new 293,000 sq. ft. plant is leased in Texarkana, Ark.
Additional warehousing space aggregating 231,767 sq. ft. is leased in Findlay and a total of 218,771 sq. ft. in Fostoria, Lima and Toledo, O., and Clarksdale, Miss.
Sales offices, service and warehousing space aggregating 234,429 sq. ft. is leased at branch locations. Company leases with option to purchase part of manufacturing equipment for 5 year periods expiring 1964 and 1965.
Subsidiaries (wholly-owned): Cooper Corp., Cooper Industrial Products, Inc. and Giant Tire & Rubber Co. are selling agents and Clarksdale Rubber Co. operates plant at Clarksdale, Miss., Cooper Service, Inc., operates retail locations.
Officers: K. L. Frost, Chmn.; W. B. Brewer, Pres.; E. E. Brewer, W. R. Brewer, C. P. Weaver, Vice-Pres.; B. E. Esterly, Vice-Pres. and Sec.-Treas.; C. R. Cain, Contr.; W. T. Yale, Asst. Treas.; M. E. Monroe, Asst. Sec.
Directors: J. F. Schaefer, W. B. Brewer, C. P. Weaver; J. J. Twomey, Cincinnati; E. T. Adams, Mt. Vernon, O.; K. L. Frost, W. Robert Brewer, E. E. Brewer, Findlay, O.; R. W. Bruce, Tazewell, Va.
Auditors: Arthur Young & Co.
General Counsel: Marshall, Melhorn, Bloch & Belt, Toledo, O.
Annual Meeting: Last Saturday in Apr.
No. of Stockholders: Dec. 31, 1963: Preferred, 676; common, 3,224.
No. of Employees: Dec. 31, 1963, 1,919.
Office: Findlay, O.

Consolidated Income Account, years ended Dec. 31:

	1963	1962
Net sales	$49,508,824	$47,566,433
Other income	109,064	77,050
Total	49,617,888	47,643,483
Cost of sales	37,608,428	36,037,100
Selling, etc., exp.	6,772,958	6,409,666
Depreciation	1,205,635	1,209,582
Int. & debt exp.	620,183	610,707
Fed. income tax	1,700,000	1,760,000
Deferred inc. tax	70,000	100,000
[f]Net profit	1,640,674	1,516,428
Retain. earn., 1-1	5,700,510	4,703,826
Preferred divs.	62,925	
Common divs.	519,744	519,744
Retain. earn., 12-31	[g]6,758,515	5,700,510
[f]Times chg. earn.	6.50	6.53
Earn., pfd. share	$10.94	
Earn., com. share	1.82	$1.75
Cash flow, com. sh.	3.29	3.26
No. of pfd. shares	150,000	
No. of com. shares	866,240	866,240

[f] Bef. inc. tax. [g] $1,453,005 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

	[f]Net Sales	Net Profit	No. of Shares	Earn. on Com.
1961	40,990,181	1,133,769	865,890	1 32
1960	36,021,094	d 486,057	865,890	d 0 56
1959	37,710,366	1,341,116	332,920	4 03
1958	31,042,481	956,729	318,271	3 01
1957	24,473,277	270,727	271,438	1 00
1956	23,737,397	410,289	252,264	1 63
1955	23,627,594	400,011	156,721	2 55
1954	15,026,123	125,041	156,721	0 80
1953	22,952,147	359,285	156,721	2 29
1952	17,056,035	322,131	156,721	2 05

[f] After Federal excise taxes.
Adjusted earns. & shs. for stk. splits & stk divs.:
Earnings ($): 1959, 2.02; 1958, 1.51; 1957, 0.46; 1956, 0.71; 1955, 1.10; 1954, 0.35; 1953, 0.99; 1952, 0.89; 1951, 0.91.
Shares: 1959, 665,810; 1958, 636,542; 1957, 597,164; 1956, 582,730; 1955-51, 362,026.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$2,734,632	$1,561,021
Mkt. secur., cost	750,000	
Receivables, net	9,650,098	8,150,301
Inventories	8,430,563	8,914,003
Prepayments	232,786	172,402
Total current	$21,798,079	$18,797,727
[f]Net property	7,756,223	7,832,581
Debt. disc. & exp.	142,420	111,547
Investments, etc.	701,450	111,363
Total	$30,397,772	$26,853,218
Liabilities:		
Notes, etc., pay	$100,000	$606,021
Accounts payable	3,176,379	3,376,956
Divs. payable	35,025	
Accruals	2,096,342	1,810,600
Fed. inc. tax res.	1,520,719	1,453,924
Total current	$6,928,035	$7,227,601
Notes payable	5,000,000	3,500,000
Lse. purch. agree.		801,436
Deb. 6s, 1967		631,020
Deb. 5¼s, 1974	3,058,000	3,167,000
Def. Fed. inc. tax	330,000	265,000
4½% pfd. stk. ($20)	3,000,000	
[g]Common stock	871,520	874,520
Paid-in surplus	4,353,702	4,503,108
Retained earnings	6,758,515	5,700,510
Total	$30,397,772	$26,853,218
Net current assets	$14,880,044	$11,570,126
Net tang. com. sh.	$13 94	$12 53
[f]Depreciation	$7,083,006	$6,330,938

[1] 866,240 $1 par shs. [2] Lower cost (fifo) or mkt.

Long Term Debt: 1. Cooper Tire & Rubber Co. senior sinking fund debenture 5¼s due 1974:

Rating—Ba

AUTHORIZED—$3,500,000; outstanding, Dec. 31, 1963, $3,158,000.
DATED—Apr. 1, 1959.
MATURITY—Apr. 1, 1974.
INTEREST—A&O1 at office of trustee.
TRUSTEE—Pittsburgh National Bank, Pittsburgh.
DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and multiples; C & R interchangeable.
CALLABLE—As a whole or in part on at least 30 days' notice at any time on or after Apr. 1, 1964 to Mar. 31 incl. as follows:

1965	105¼	1966	104¾	1967	104⅜
1968	103¾	1969	103⅛	1970	102⅝
1971	102¼	1972	101¾	1973	101
1974	100¼				

Also callable on like notice for sinking fund beginning Apr. 1, 1965 at 100.
SINKING FUND—To retire $300,000 debentures each Apr. 1, 1965-69 and $400,000 debentures each Apr. 1, 1970-73. Company may receive credit for principal amount or cost to company of reacquisition, whichever is less, of debentures reacquired (other than through purchase fund). Payments will retire 84% of issue by maturity.
PURCHASE FUND—Requires company to set aside not less than $100,000 or more than $300,000 each Apr. 1, 1961-64 for purchase of debentures at not exceeding par. Unused cash at end of any 12-month period shall first be reduced by purchase of debentures otherwise than through purchase fund; balance credited against purchase fund payment for following year.
SECURITY—Not secured.
CREATION OF ADDITIONAL DEBT—Company or a subsidiary may not create funded debt (including debentures) which exceeds 50% of net tangible assets or on which interest payable during any fiscal year exceeds 33⅓% of consolidated net income for preceding fiscal year. Minimum consolidated working capital must be maintained at not less than $4,500,000.
DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1958 plus $350,000 or if a default exists.
RIGHTS ON DEFAULT—In event of default (90 day grace period for payment of interest or sinking fund or purchase fund installment), trustee or majority of debentures may declare principal due and payable.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.
PURPOSE—Proceeds to retire term loan of $2,150,000; to purchase and install dual tube production line and for working capital.
WARRANTS—Issued with each $1,000 debenture entitle holder to purchase 50 common shares at $12.50 a share to July 31, 1964 incl. and $15 thereafter to July 31, 1969 incl. Warrants are detachable and exercisable on and after Aug. 1, 1959. Warrant privilege protected against dilution; no adjustment made on issue of up to 20,000 shares under option to key employees.
OFFERED—($3,500,000) on Apr. 22, 1959 by Paine, Webber, Jackson & Curtis, New York; Prescott, Shepard & Co., Inc., Cleveland, and associates, at 100, with warrants as above described.

PRICE RANGE—	1963	1962	1961	1960	1959
With warr.:					
High	120	119	111	129	149
Low	104	92	82	82	100
Ex-warr.:					
High	97	89	84	85	---
Low	86	83	76	76	---

Term Loan: Outstanding, Dec. 31, 1963, $3,000,000 5¼% notes payable each Aug. 1: 1966-67, $300,000; 1968-78, $400,000. Proceeds to retire funded debt, other than senior debenture 5¼s due 1974.

Company may not pay cash dividends on common or acquire capital stock (except required sinking fund payments on preferred) in excess of consolidated net income after Dec. 31, 1962 plus $400,000 or if consolidated net current assets would be less than greater of $10,000,000 or 125% of consolidated funded debt. At Dec. 31, 1963, $1,453,005 of consolidated retained earnings was not so restricted.

Capital Stock: 1. Cooper Tire & Rubber Co. 4½% cumulative convertible preferred; par $20.
AUTHORIZED — 150,000 shares; outstanding, Dec. 31, 1963, 150,000 shares; par $20.
PREFERENCES—Has preference for assets and dividends.
DIVIDEND RIGHTS—Entitled to cumulative dividends of 90 cents a share annually, payable quarterly Jan. 15, etc.
DIVIDEND RESTRICTIONS—See senior debenture 5¼s due 1974 and Term Loan.

DIVIDEND RECORD—Initial dividend of 18.2 cents paid Oct. 15, 1963. Regular dividends paid quarterly thereafter.
VOTING RIGHTS—Has no voting power except on default of 4 quarterly dividends when it has one vote per share and is entitled to elect two directors.
Consent of 66⅔% of preferred required to authorize or increase amount of prior stock; amend terms adversely or merge. Consent of majority of preferred required to increase authorized preferred, or authorize or increase authorized amount of parity stock; or sell substantially all property or voluntarily liquidate.
LIQUIDATION RIGHTS—On liquidation, entitled to $20 a share, if involuntary; redemption price, if voluntary; plus dividends.
CALLABLE—As a whole or in part at any time on at least 30 days' notice to July 15, incl. as follows (per share plus dividends): 1968, $21.50; 1973, $22; 1978, $20.50; after July 15, 1978, $20.
SINKING FUND—Cash (or preferred) to retire at par annually, beginning not later than Dec. 31, 1973, 5% of shares outstanding on July 15, 1973.
CONVERTIBLE—Into common (if called, on or before 3rd full business day before redemption date) at $18 a share; no adjustments made for dividends; cash paid in lieu of fractional shares. Conversion privilege protected against dilution.
PREEMPTIVE RIGHTS—None.
PURPOSE—Proceeds to pay short-term debt; for inventory and working capital.
TRANSFER AGENT—Chemical Bank New York Trust Co., New York.
REGISTRAR—Morgan Guaranty Trust Co., New York.
OFFERED—(150,000 shares) at $20 a share (proceeds to company, $19.10 a share) on July 31, 1963 by Merrill Lynch, Pierce, Fenner & Smith, Inc., New York, and associates.
PRICE RANGE—1963, 20¾-19¾.

2. Cooper Tire & Rubber Co. common; par $1:

AUTHORIZED—1,600,000 shares; outstanding, Dec. 31, 1963, 866,210 shares; par $1.
Par changed from no par to $1 in Mar. 1958, share for share.
DIVIDENDS—

On no par shares:					
1944-45	$0.13	1946---	$0.90	1947---	$0.20
1948-49	nil	1950---	0.20	1951---	0.25
1952-54	0.30	1955---	0.50	1956---	0.75
[1]1957	0.50				
On $1 par shares:					
1958---	0.52½	1959---	1.10		
On $1 par shares (after 100% stk. div.):					
1960-	0.17½	1961---	0.22	1962-63	0.60
2-1964	0.15				

[1]Also stock dividends: 1957, 5%; 1958, 10%; Feb. 1960, 100%.
[2]To Apr. 1.
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
TRANSFER AGENTS—Chemical Bank New York Trust Co. and National Bank of Detroit.
REGISTRARS—Morgan Guaranty Trust Co., New York and Manufacturers National Bank of Detroit.
DIVIDEND DISBURSING AGENT—Chemical Bank New York Trust Co.
LISTED—On New York Stock Exchange.
OFFERED—(33,647 shares, balance of 97,950 shares offered to stockholders) at $10.50 per share July 13, 1956 by Prescott & Co.
100,599 shares at $38 per share (proceeds to company $35.53 per share), Dec. 20, 1959 by Paine, Weber, Jackson and Curtis, New York, and associates.

PRICE RANGE—	1963	1962	1961	[1]1960	1959
High	17⅞	15⅞	15½	16	47
Low	12	8⅝	7⅞	6	20⅝

[1]Since listing and after split; before, 37-33⅛ (bid prices).

Subscription Rights: Common stockholders of record June 13, 1956 had right to subscribe to 77,950 common shares at $10.50 a share on basis of 1¼ shares for each 2 shares held. Rights expired July 12, 1956. Offering underwritten by Prescott & Co., Cleveland and associates.

Stock Options held by officers and key employees at Dec. 31, 1963 on 39,200 shares at $13 and $17.25 a share.

Debentures Retired: Certain issue of debentures due Jan. 1, 1967 was retired at 100 on Aug. 31, 1963 at Central Trust Co., Cincinnati.

CRYSTAL OIL & LAND CO.

History: Incorporated in Maryland Feb. 3, 1936 as Crystal Oil Refining Corp. to take over property of Ohio Central Oil & Refining Corp. (Incorporated May 2, 1919, in New York), sold at foreclosure sale.
Present name adopted Nov. 29, 1955.
On Oct. 31, 1963, acquired Roberts Petroleum Co. for 56,643 shares.
Business: Company's income consists of oil royalties with some revenue from oil production and leases; also engaged in exploration and development of oil and gas properties.
Property: Company owns 43,000 gross (15,500 net) acres of producing oil and gas properties and 90,100 gross (65,700 net) acres of undeveloped oil and gas properties in Ariz., La., Miss., Tex., Kan. and Okla.
Officers: H. C. Bishop, Chmn.; H. C. Roberts, Pres.; R. E. Buchanan, C. E. Price, Jr., Vice-Pres.; I. G. Caskey, Jr., Sec. and Treas.
Directors: H. C. Bishop, R. F. Roberts, David Graham, R. E. Buchanan, C. E. Price, Jr.
Auditors: Ernst & Ernst.
Annual Meeting: Second Tuesday in Mar., or within 60 days thereafter.
No. of Stockholders: Dec. 31, 1963, 181.
No. of Employees: Dec. 31, 1963, 37.
Office: P. O. Box 1101, Shreveport, La. 71102

Sales and Earnings years to Dec. 31 (in $):

	Net Sales	Net Profit	No. of Shs.	Earned On Com.
1963	263,850	77,628	1,099,993	0.07
1962	161,229	45,411	591,737	0.08
1961	116,580	50,856	591,737	0.09
1960	211,401	117,781	352,937	d 0.07
1959	210,131	86,131	352,937	d 0.02

Balance Sheet, as of Dec. 31:

Assets:	[1]1963	1962
Cash	$317,706	$134,495
Other inv. (cost)	22,721	114,478
Receivables	208,862	1,486
Total current	$550,292	$250,459
Bldgs., equip., etc.	5,807,044	50,900
Deprec. & deplet.	132,103	36,786
Net bldgs., etc.	5,674,941	14,119
Land & min. rts.	2,071,884	2,067,197
Other assets	50,946	
Total	$8,357,067	$2,331,775
Liabilities:		
Accts. pay., etc.	$445,048	$660
Income taxes	3,000	15,523
Total current	$448,048	$16,183
Term notes	2,672,803	
Common stk. ($1)	1,099,993	591,737
Capital surplus	3,870,434	1,728,103
Earned surplus	265,789	165,752
Total	$8,357,067	$2,331,775
Net current assets	$111,244	$231,276
Net tang. com. sh.	$1.76	$2.21

[1]Includes Roberts Petroleum Co., merged Oct. 31, 1963.
Long Term Debt: Dec. 31, 1963, $1,672,803 7% mortgage note payable June 26, 1967. Company agrees to maintain net current assets of not less than $100,000 and to limit dividends to 50% of aggregate net income subsequent to Dec. 31, 1963.
Capital Stock: 1. Crystal Oil & Land Co. stock; par $1:
AUTHORIZED—3,000,000 shares; outstanding, 1,099,993 shares; par $1.
Par changed from no par to 10 cents Mar. 28, 1955, share for share; from 10 cents to $1 July 18, 1961, share for share.
DIVIDENDS—No dividends paid.
VOTING RIGHTS—Has one vote per share.
ISSUED—In July, 1961, under recapitalization plan, on basis of 3 shares for each former preferred share and share for share for former common.

PRICE RANGE—	1963	1962	1961	1960	1959
High	9¾	8	8¾	8½	12½
Low	5½	5½	5	4½	6½

Transfer Agent: Chase Manhattan Bank, New York.
Registrar: Bank of New York, New York.
Listed: Unlisted trading on American Stock Exchange.

DENTISTS' SUPPLY CO. OF NEW YORK

History: Incorporated in New York, June 23, 1899. On July 31, 1963 merged L. D. Caulk Co. for 468,780 common shares.
Business: Company manufactures and distributes artificial teeth and dental supplies. The Amalgamated Dental Co., Ltd., of London (owner of less than 10% of company's common stock) distributes company's products in Great Britain, Continental Europe, Africa, and Western Asia.
Property: Owns plants in York and Philadelphia, Pa., Milford, Del., Toronto, Can. and Caguas, Puerto Rico with about 500,000 sq. ft. total floor area.
Subsidiaries: Owns entire capital stock of International Tooth Co., Philadelphia; Dentsply (Australia) Pty., Ltd., Melbourne, Australia; Dentsply, Ltd., Brighton, England; Dentalina S. A., Bois-Colombes, France; Industrias Dentarias Dentsply S. A., Rio de Janeiro, Brazil; Dentsply Puerto Rico, Inc., Caguas, Puerto Rico; Airotor Vertriebsgesellschaft G.m.b.H. and Standard Zahnfabrik A. G., Konstanz, Germany; De Art S.p.A., Turin, Italy; Harold S. Moore, Inc.; Harris Dental Co., Inc.; L. D. Caulk Co. of Canada, Ltd.; Mercirex Co.; Industrias Dentarias Caulk, S.A., Rio de Janeiro, Brazil. Also owns 60% common and 75% preferred stock interest in Dentsply Argentina S. A., Buenos Aires, Argentina; and a minority interest in Zahnfabrik Wienand Sohne & Co., G.m.b.H., Sprendlingen, Germany.
Officers: G. H. Whiteley, Chmn.; H. M. Thornton, Pres.; R. J. de Trey, C. W. Conklin, L. I. March, Vice-Pres.; B. J. Beazley, Sec.; Ronald Wainwright, Treas.; C. F. Borgel, Asst. Sec.; A. M. Bevilacqua, Asst. Treas.
Directors: G. H. Whiteley, H. M. Thornton, R. J. de Trey, C. F. Borgel, York, Pa.; A. W. Tinkham, York, Pa.; Mrs. S. E. L. Osborne, New York City; W. H. Freer, A. Watson, London, Eng.; H. G. Brownson, P. H. Glatfelter, C. W. Conklin, L. I. March, Marvel Wilson, Sr.
Auditors: Price Waterhouse & Co.
Annual Meeting: Fourth Wednesday in Apr.
No. of Stockholders: Dec. 31, 1963, 5,421.
No. of Employees: July 31, 1963, 1,945.
Office: 500 W. College Ave., York, Pa.

Consolidated Income Account, years ended Dec. 31 (incl. all wholly-owned subs. except Brazil):

	[1]1963	1962
Net sales	$32,989,854	[2]$15,900,943
[3]Other income	725,202	272,101
Total	33,715,056	16,173,049
Cost of sales	17,913,744	8,464,220
Selling, etc., exp.	9,699,408	3,522,206
Income taxes	2,850,028	2,036,407
[4]Net profit	3,212,878	[2]1,150,216
Retain. earn., 1-1	14,112,391	9,135,022
Dividends	2,048,292	1,530,000
Retain. earn., 12-31	15,276,967	[2]9,775,238
Earn., com. share	$1.99	[2]$1.76
Cash flow, com. sh.	2.25	2.03
No. of com. shares	1,692,780	1,224,000

[1]After $596,257 (1962, $359,763) deprec. & amort. [2]Incl. fgn. subs. divs. & royal. net: 1963, $235,699; 1962, $185,423. [3]Incl. L. D. Caulk Co. acq. July, 1963 as "pool int." for entire yr. [4]Adj. figures incl. co. acq. as "pool int." in 1963: Net sales, $32,002,595; net profit, $2,944,449; retain. earn., $14,112,391; earn., com. share, $1.71 on 1,692,780 shs.

Sales and Earnings, years to Dec. 31 (in $):

	[1]Net Sales	Net Income	No. of Shares	Earn. on Com.
1961---	14,291,072	1,944,746	1,224,000	1.59
1960---	15,399,185	2,283,644	1,224,000	1.87
1959---	13,363,218	1,680,258	1,224,000	1.37
1958---	13,300,969	2,645,093	1,224,000	2.16
1957---	7,053,337	2,208,232	1,200,000	1.84
1956---	9,579,397	1,754,667	1,200,000	1.46
1955---	9,135,455	1,526,164	1,200,000	1.27
1954---	8,576,017	1,501,917	1,200,000	1.25
1953---	8,951,812	1,273,597	1,200,000	1.06
1952---	8,617,040	1,382,088	1,200,000	1.15

[1]Gross profit in 1957 and subsequent years; incl. domestic subs.
Adjusted earns. & shs. for stk. splits & stk. divs.:
Earnings ($): 1957, 1.80; 1956, 1.43; 1955, 1.25; 1954, 1.23; 1953, 1.04; 1952, 1.13; 1951, 1.13.
Shares: 1957-51, 1,221,000.

Consolidated Balance Sheet, as of Dec. 31 (incl. all wholly-owned subs. except Brazil):

Assets:	1963	1962
Cash	$2,319,313	$1,814,915
Mkt. sec., cost	2,629,607	1,797,076
Receivables, net	5,419,146	3,746,949
[1]Inventories	9,036,426	5,375,525
Prepayments	636,376	250,111
Total current	$20,039,862	[2]$10,984,576
[3]Net property	5,810,436	4,044,714
Fgn. subs. invest.	977,811	867,810
Life ins., cash val.	362,340	
Def. charges, etc.	454,102	134,818
Total	$27,644,551	$16,031,918
Liabilities:		
Accts. pay., etc.	$2,693,820	$1,534,230
Income tax res.	1,965,973	1,122,450
Total current	$4,659,793	[2]$2,656,680
Notes payable	89,035	
Def. income, etc.	320,316	
Com. stock ($2.50)	4,231,950	3,060,000
Retained earnings	15,276,967	9,775,238
Capital surplus	3,067,470	540,000
Total	$27,644,551	$16,031,918
Net current assets	$15,381,069	[4]$8,327,896
Net tang. com. sh.	$13.34	$10.93
[5]Depreciation	$5,125,812	$3,455,390

[1]Lower of cost (fifo) or mkt. except $2,913,012 (1962, $2,734,764) on (lifo) basis. [2]Adj. figures incl. co. acq. as "pool int." in 1963; Curr. assets, $19,670,966; curr. liabil., $5,053,014; net curr. assets, $14,615,952.
Capital Stock: 1. Dentists' Supply Co. of New York common; par $2.50:
AUTHORIZED—2,400,000 shares; outstanding, Mar. 23, 1964, 1,692,780 shares; par $2.50 (changed from $10 par Mar. 20, 1946, four $2.50 shares issued for each $10 share).
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—Has preemptive rights.
DIVIDENDS PAID—

On $10 par shares:					
1926---	$5.00	1927---	$3.50	1928-29	$4.00
1930---	5.00	1931---	4.00	1932---	2.50
1933---	2.00	1934-35	3.00	1936-37	4.50
1938---	3.50	1939---	3.75	1940---	3.25
1941-45	4.00	1946---	1.00		
On $2.50 par shares:					
1946-47	1.00	1948---	0.81	1949---	0.75
1950---	0.85	1951-56	3.00	[1]1957-63	1.25
[1]1964	0.25				

[1]Also 2% in stock in 1958.
[2]To Mar. 3.
LISTED—On New York Stock Exchange.
TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., New York.
REGISTRARS—Chase Manhattan Bank, New York.

Capital surplus	[1]3,076,863	2,696,052
Earned deficit	1,850,757	1,072,589
Total	1,967,846	2,147,613
[2]Reacq. stock	23,757	23,756
Net stk. & surp.	1,944,089	2,123,857
Total	$5,920,248	$5,231,813
Net current assets	$15,921	d $332,094
Net tang. com. sh.	$1.80	$2.04

[1]After cred. $359,211 excess assigned val. over par val. of shs. for invest. in limited partnerships and $21,600 from stk. sold under option. [2]5,521 shs. at cost. [3]Incl. 2,770 (1958, 2,775) issuable to stockholders of merged co.

Mortgage Loan: Outstanding, Dec. 31, 1959, $3,920,000 6% notes payable $70,000 monthly or 80% of production from pledged properties, whichever is greater; secured by substantially all producing properties.

Capital Stock: Magna Oil Corp. common; par 50 cents:

AUTHORIZED—1,500,000 shares; outstanding, Dec. 31, 1959, 1,080,780 shares; in treasury, 5,521 shares; par 50 cents.

Grande Corp. owns 60% of stock.

VOTING RIGHTS—Has one vote per share; cumulative voting for directors not permitted.

PREEMPTIVE RIGHTS—None.

OFFERED—(240,000 shares) at $5 per share (proceeds to company $4.50 per share) on Dec. 22, 1954 by Bache & Co., New York.

TRANSFER AGENTS—Chemical Bank New York Trust Co., New York and Mercantile National Bank, Dallas.

REGISTRAR—Grace National Bank, New York and Mercantile National Bank, Dallas.

LISTED—On American Stock Exchange.

PRICE RANGE—	1959	1958	1957	1956
High	19⅛	12⅛	10½	5⅝
Low	7½	4½	4⅛	3⅛

Stock Options held by certain officers and directors at Dec. 31, 1959, on 26,400 shares at $6.50 per share expire in 1963.

MANSFIELD TIRE & RUBBER CO.

History: Incorporated in Ohio, Feb. 10, 1912.

In 1951, Inland Rubber Corp. (Ohio), a wholly-owned susidiary, acquired a 50% interest in Pacific Tire & Rubber Co. with plant at Oakland, Cal., now operated under lease by parent company. In 1951, Inland Rubber Corp. also acquired 50% interest in Southeastern Rubber Mfg. Co., Inc. (Ga.) (sold to parent in 1957), which manufactures tread rubber at Athens Ga.

In May, 1953, General Tire & Rubber Co. (see general index) disposed of 43% stock interest in company's common stock.

Business: Manufacture tires and tubes, primarily for replacement use, for passenger cars, buses, trucks and farm implements; also manufactures tread rubber and miscellaneous tire and accessory items. Products sold under trade names Mansfield, Inland, Pharis and Pennsylvania.

Property: Main plants, containing 977,000 sq. ft. of floor space, are located on 18-acre site, owned in fee, and 5 acres, leased, at Mansfield, O. Company leases plant and warehouse space at Oakland, Cal., owned by Pacific Tire & Rubber Co. Company leases warehouse containing 62,000 sq. ft. in Oakland, Cal.

Company owns plant in Capistrano Beach, Cal., containing 40,000 sq. ft. for manufacture of mechanical rubber goods and leases warehouse containing 25,000 sq. ft. at Clinton, Ia.

Inland Rubber Corp., wholly-owned, leases warehouse in Athens, Ga.

Southeastern Rubber Manufacturing Co. has tread rubber plant at Athens Ga.

Pennsylvania Tire Co., a subsidiary, leases warehouses and office space in Atlanta, Oakland, Kansas City, Mo., Tupelo, Miss. and Clinton, Ia. and owns such facilities at New Village, N. J.; warehouse space in Los Angeles and Portland Ore.; and office space in Mansfield, O., and operates tread rubber plants in Clinton, Ia. and Paris Tex. Pennsylvania Tire & Rubber Co. of Mississippi, Inc., a subsidiary, operates 126,000 sq. ft. leased tire plant at Tupelo, Miss.

Mansfield Rubber (Canada) Ltd. (50% owned) operates 50,000 sq. ft. tire plant on 30 acres in Barrie, Ont.

Subsidiaries (wholly-owned): Inland Rubber Corp, Richland Rubber Co., Pharis Tire & Rubber Co., Century Tire & Rubber Co., Globe Rubber Co., Olympia Rubber Co., United Tire & Rubber Co., Pennsylvania Tire Co., Manufacturers Production Corp., all Ohio corporations. Pennsylvania Tire Acceptance Corp., Pennsylvania Tire & Rubber Co. of Miss., Inc., Clinton 31st Corp.

Affiliates: Company has one-seventh interest in Copolymer Rubber & Chemical Corp. which operates synthetic rubber and butadiene plant in Baton Rouge, La. and 50% interests in Mansfield Rubber (Canada), Ltd., Barrie, Ont. Southeastern Rubber Manufacturing Co., Inc. (Ga.) and Barrie Rubber Realty Ltd., Barrie, Ont. Manufacturers Production Corp. owns 50% interest in Manufacturers Lease Corp., Ltd.

Inland Rubber Corp. has a 50% stock interest in Pacific Tire & Rubber Co. (Cal.).

Officers: J. H. Hoffman, Pres.; E. E. Stevens, J. M. Slattery, Boyd Weaver, E. V. Duffy, Vice-Pres.; E. P. Stephens, Sec.; C. L. Pollock, Treas.; W. J. Epley, Asst. Treas.

Directors: J. H. Hoffman, J. M. Slattery, E. P. Stephens, E. E. Stevens, Boyd Weaver, J. J. Levin.

Auditors: Arthur Young & Co.

Annual Meeting: Last Wednesday in April.

No. of Stockholders: Dec. 31, 1959, 4,113.

No. of Employees: Dec. 31, 1959, 3,040.

Office: 315 Newman St., Mansfield, O.

Consolidated Income Account, years ended Dec. 31:

	1959	1958
Net sales	$68,950,072	$63,634,393
Cost of sales	58,859,787	53,472,700
Selling, etc., exp.	6,311,537	6,099,653
[1]Operating profit	3,775,748	4,062,040
Other income	849,229	504,020
Total income	4,624,977	4,566,060
Interest	548,500	449,610
Fed. income tax	1,668,000	1,810,000
Def. income tax	271,000	126,000
Pr. yrs. inc. tax	cr 145,000	
Pr. yrs. expenses		[4]cr 150,138
Net income	2,282,477	2,310,588
Earn. surplus, 1-1	14,782,065	13,359,162
Preferred divs.		73,770
Com. divs. (cash)	1,095,010	722,115
Com. div. (stock)	525,918	
Pfd. stk. premium		91,800
Earn. surp., 12-31	[3]15,443,614	14,782,065
[2]Times int. earn.	8.43	10.45

[1]Aft. $859,798 (1958, $724,439) deprec. [2]Incl. $13,250,347 restricted. [3]Bef. inc. tax. [4]After deduct. $140,984 applic. Fed. tax.

Sales and Earnings, years to Dec. 31 (in $):

Year	Sales	Net Income	No. of Shares	Earn. on Com.
1959	68,950,072	2,282,477	[1]1,410,963	1.62
1958	63,634,393	2,310,588	603,049	3.71
1957	59,722,211	1,522,957	552,504	2.50
1956	61,557,595	1,376,683	552,504	2.23
1955	74,555,659	1,768,203	552,504	3.00
1954	50,378,302	890,485	552,504	1.61
1953	59,078,904	927,005	552,504	1.68
1952	55,551,843	1,330,029	552,504	2.41
1951	66,831,583	2,107,414	183,422	11.38
1950	47,400,304	2,525,487	161,204	15.49

[1]Reflects 2-for-1 split, and excl. 27,499 stk. div. shs. pd. Jan. 20, 1960.

Note: Equity undistrib. net inc. assoc. cos. year Dec. 31, 1959, $743,476 (1958, $637,671), $0.53 (1958, $1.06) per com. sh.

Consolidated Balance Sheet, as of Dec. 31:

	1959	1958
Assets:		
Cash	$1,630,515	$1,096,412
Receivables, net	9,904,025	8,793,856
[1]Inventories	15,831,909	14,625,120
Prepayments	524,210	417,694
Total current	$27,890,659	$25,563,276
Prop., plant, etc.	21,293,376	17,507,920
Depreciation	9,391,583	9,018,577
Net property	11,701,798	8,489,343
Trademarks	400,000	
Inv. in assoc. cos.	1,036,929	1,074,617
Other investment	802,607	251,917
Deferred charges	343,903	210,734
Total	$42,176,891	$35,567,887
Liabilities:		
Notes payable		$2,500,000
Accts. pay., etc.	$7,491,135	5,058,546
Debt due	206,167	15,148
Fed. inc. tax res.	1,023,112	1,597,010
Other taxes pay.	1,001,967	858,756
Dividend payable	295,929	195,994
Total current	$10,181,310	$10,253,760
Mtge. notes pay.	51,310	132,112
Deb. 5s, 1971		1,500,500
Deb. 4¾s, 1973	4,650,000	5,000,000
Deb. 5s, 1971	5,032,500	
Equip. oblig.	187,547	
Def. income tax	299,067	126,000
[2]Common stk.	[3]3,306,154	3,015,245
Capital surplus	2,633,119	758,175
Earned surplus	15,443,614	14,782,065
Total	$42,176,891	$35,567,887
Net current assets	$17,709,349	$15,314,516
Net tang. com. sh.	$11.79	$30.77

[1]Lower cost or mkt., incl. $3,177,551 (1958, $3,809,103) (lifo). [2]Par val.: 1959, $2.50; 1958, $5. [3]Incl. 27,499 stk. div. shs. pd Jan. 20, 1960.

Long Term Debt: 1. Mansfield Tire & Rubber Co. sinking fund debenture 4¾s, due 1973; Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Dec. 31, 1959, $5,000,000.

DATED—July 1, 1958.

MATURITY—July 1, 1973.

INTEREST—J&J at office of trustee.

TRUSTEE—First National Bank, Chicago.

DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and authorized multiples thereof. C & R interchangeable.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to each June 30 incl. as follows:

1959	104¾	1970	104⅜	1981	101
1960	104½	1971	104¼	1982	100⅞
1961	104¼	1972	104⅛	1983	100¾
1962	104⅛	1973	104	1984	100⅝
1963	104	1974	103⅞	1985	100½
1964	103⅞	1975	103¾	1986	100⅜
1965	103¾	1976	103⅝	1987	100¼
1966	103⅝	1977	103½	1988	100⅛
1967	103½	1978	103⅜	1989	100
1968	103⅜	1979	103¼		
1969	103¼	1980	103⅛		

However, no debentures may be redeemed prior to June 30, 1963 from proceeds of borrowing at interest cost to company of less than 4.90%.

Callable also on like notice for sinking fund (which see) at 100.

SINKING FUND—Annually, cash (or debentures) to retire $350,000 debentures excl July 1, 1960-72 plus similar optional payments. Moneys not needed for redemptions may be used to redeem debentures at 100 or, if less than $25,000, to purchase debentures at public or private sale.

SECURITY—Not secured. Company may not merge with or sell substantially all property to, another corporation having obligations secured by mortgage if any assets owned by company prior thereto would become subject to the lien of such mortgage unless debentures are secured by direct prior lien on all such assets, other than existing liens thereon.

CREATION OF ADDITIONAL DEBT—Company may not create additional funded debt (except for refunding) unless thereafter, on consolidated basis, tangible assets less current liabilities are at least 250% of funded debt. Company or any subsidiary may not mortgage property unless debentures are equally and ratably secured, except for certain permitted encumbrances, including liens to secure loans for war or defense contracts or subcontracts; purchase money mortgages; pre-existing liens and renewals thereof.

Sale and Leaseback: Company and its subsidiaries may not sell and leaseback plants No. 1 and 2 at Mansfield, O.; in event, after July 1, 1958, sale and leaseback of any other plant is effected, fair value of such plant shall be included in determining funded debt and consolidated tangible assets except when annual net rentals thereunder are less than $100,000.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends on or acquire any stock or permit any subsidiary to acquire such stock (except in exchange for stock or through application of proceeds of concurrent sale of stock or through retirement of 6% preferred) in excess of consolidated net income after Dec. 31, 1957 plus $1,000,000 and net proceeds of sale after that date of stock and of any debt converted into stock.

At Dec. 31, 1959, $13,250,347 of consolidated earned surplus was so restricted.

RIGHTS ON DEFAULT—In event of default, 30 day grace period for payment of interest, trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to redeem debentures 3¾s due 1966 and 6% preferred stock; for capital expenditures and other purposes.

OFFERED—($5,000,000) at 99¾ (proceeds to company, 97⅞) on June 25, 1958 by A. C. Becker & Co. Inc., Chicago, and associates.

PRICE RANGE—1959, 99-99⅝; 1958, 99¾-99¾.

2. Mansfield Tire & Rubber Co. convertible subordinated debenture 5s, due 1976; Rating—Ba

AUTHORIZED—$5,038,500; outstanding, Dec. 31, 1959, $5,032,500.

DATED—June 1, 1959.

MATURITY—June 1, 1974.

INTEREST—J&DI at office of trustee. Interest accrues from June 15, 1959.

TRUSTEE—Central National Bank, Cleveland.

DENOMINATION—Coupon, $100, $500, $1,000 and authorized multiples of $1,000; interchangeable; registerable as to principal.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to May 1 incl., as follows:

1960	105	1961	104½	1962	104
1963	103½	1964	103	1965	102½
1966	102	1967	101½	1968	101
1969	100½	1974	100		

Also callable on like notice at 100 for sinking fund (which see) beginning June 1, 1964.

SINKING FUND—Annually, cash (or debentures) to retire (1) on each June 1, 1964-73, 5% of debentures outstanding on Apr. 1, 1964 and (2) on each June 1, 1960-73, 10% of debentures outstanding on Apr. 1, 1964. Unexpended moneys may, at company's option, be used to redeem debentures at 100 or if less than $100,000, for purchase of debentures. Payments will retire 75% of issue by maturity.

CONVERTIBLE—Into common on or before June 1, 1974 (if called, on or before 15th day prior to redemption date) at $23.95 per sh. ($13.38 shares per $1,000 debenture) with adjustments for interest or dividends paid for fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured; subordinated to prior payment of senior debt, including debenture 4¾s due 1973 and other debt for borrowed money, unless expressly stated not superior to convertible subordinated debentures.

SALES AND LEASE-BACKS—Indenture prohibits sale and lease-back by company of substantially all or substantial part of company's Plants No. 1 and 2 at Mansfield, in event after June 1, 1959, any sale or lease-back of any other plant, fair value of which shall be included in determination of funded debt and consolidated tangible assets during any period when aggregate annual rentals are less than $100,000.

ADDITIONAL FUNDED DEBT—May be created (except for refunding) unless

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...ing on consolidated basis tangible assets less current liabilities equal at least 200% of funded debt. Company or any subsidiary may not mortgage property without equally and ratably securing debentures by such lien; existing liens to secure loans, war or defense contracts; purchase money mortgages; existing liens and renewals thereof.

DIVIDEND RESTRICTION—Company may not pay cash dividends or acquire (or permit any subsidiary to acquire) any stock in excess of consolidated net income after Dec. 31, 1958, plus $1,000,000 and net proceeds from sale after June 1, 1959, of stock or of debt converted into stock.

RIGHTS ON DEFAULT—In event of default (30-day grace period for interest payment), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to repay short-term bank loans and for working capital.

OFFERED—($5,038,500) on June 4, 1959 for subscription by common stockholders at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. A. G. Becker & Co., Inc., Chicago, headed underwriting group.

PRICE RANGE—1959, 103¾-93.

Other Debt: Outstanding, Dec. 31, 1959 $200,000 3% equipment obligations due to 1971 and $56,544 5½% mortgage note due to 1966.

Capital Stock: 1. Mansfield Tire & Rubber Co. common; par $2.50.

AUTHORIZED—2,000,000 shares; outstanding, Dec. 31, 1959, 1,140,943 shares reserved for debenture conversions, 214,329 shares; reserved for options, 40,000 shares; par $2.50.

Par changed from no par to $5 in March, 1952, by 3-for-1 split; from $5 to $2.50 May 29, 1959 by 2-for-1 split.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

DIVIDEND RECORD—

On no par shares:					
1938	$1.50	1939	$1.40	1940	$0.35
1941	1.00	1942-43	1.50	1944-45	1.00
1946-47	2.00	1948	1.50	1949	0.70
1950	2.00				
On $5 par shares:					
1952	1.60	1953	1.20	1954	1.15
1955	1.05	1956-57	1.20	1958	1.22½
1959	0.67½				
On $2.50 par shares:					
1959	0.40	1960	[a]0.40		

[a]To Apr. 21; also 2% in stock, Jan. 20.

DIVIDEND RESTRICTIONS—See funded debt above.

LISTED—On American Stock Exchange.

OFFERED—(47,615 common shares) at $15.50 per share May 17, 1939 by Otis & Co. (Inc.), Cleveland. Of current offering, proceeds from sale of 13,320 unissued shares were applied toward adding to plant facilities and for additional working capital; proceeds from sale of 33,815 shares accrued to shareholders.

(200,000 shares) at $15 per share on May 5, 1953, by A. G. Becker & Co., Inc., Chicago, and associates. Offering did not represent company financing, the shares having been sold by General Tire & Rubber Co.

PRICE RANGE—[b]1959 1958 1957 1956 1955

High	22⅜	35½	15½	16½	19½
Low	15⅝	13¾	12½	12¾	11⅝

[b]After stock split; before, 49-29½.

[c]Range since listing; for year, 19-12¾.

Transfer and Dividend Disbursing Agents: Central National Bank, Cleveland, O.; Chase Manhattan Bank, New York, Co-Transfer Agent.

Registrars: National City Bank of Cleveland, Cleveland, O. and Hanover Bank, New York.

Subscription Rights: Common stockholders of record June 24, 1958, had right to subscribe at par to $2,511,400 5% convertible subordinated debentures, due July 1, 1973, on basis of $100 debentures for each 22 common shares held. Rights expired July 10, 1958. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Common stockholders of record June 2, 1959, had right to subscribe to $5,038,500 convertible subordinated debenture 5s, due 1974, at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

MARSH STEEL & ALUMINUM CO.

History: Incorporated under Missouri laws Mar. 7, 1945 as Marsh Steel Corp.; name changed to above, Jan. 23, 1959.

Business: Engaged in distribution of metal products, chiefly steel and aluminum, in eight western states. Company also fabricates metals for customers and has interests in oil leases in Central Kansas.

Property: Warehouse properties at North Kansas City, Mo., with 148,400 sq. ft. of floor space and at Denver, Colo., with 85,600 sq. ft. of floor space, are under lease from wholly-owned subsidiaries. Also leases warehouses in Raton (57,000 sq. ft.) Wichita (20,000 sq. ft.), Omaha, Neb., Tulsa, Okla., and Albuquerque, N. M.

Subsidiaries (wholly-owned): Norclay Investment Co. and Colmar Investment Co.

Officers: M. B. Marsh, Pres.; H. F. Kirkpatrick, Vice-Pres. and Gen. Mgr.; E. B. Hodges, Sec.; D. T. Sorrels, Treas. and Asst. Sec.

Directors: M. B. Marsh, H. F. Kirkpatrick, E. B. Hodges, A. S. Waters, R. H. Erichsen, C. B. Beehner, O. D. Nelson, A. J. Daniel, Kearney Wornall.

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: First Monday after Jan. 15.

No. of Stockholders: Dec. 31, 1959, 1,235.

No. of Employees: Dec. 31, 1959, 203.

Office: 101 East Ninth St., North Kansas City, Mo.

Consolidated Income Account, years ended Dec. 31:

	1959	1958
Net sales	$11,122,702	$8,280,315
Cost of sales	8,576,609	6,213,855
Operating exp.	1,851,284	1,436,295
Depree. & amort.	115,536	131,267
Oper. income	516,253	547,898
Interest	70,170	71,715
Other deduct., net	cr 7,825	4,792
Income taxes	222,650	128,000
Net income	220,958	110,391
Retain. earn., 1-1	1,080,439	1,053,925
Common divs.	121,032	113,877
Retain. earn., 12-31	[1]1,190,365	1,080,439
Times int. earn.	7.11	4.54

(1)$645,531 restricted. (2)Bef. inc. tax.

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	11,122,702	220,958	284,932	0.81
1958	8,289,315	140,391	284,932	0.49
1957	8,859,631	143,075	284,932	0.51
1956	7,355,748	300,636	284,602	1.06
1955	6,995,500	185,022	74,698	2.47
1954	5,201,863	1,332	74,901	0.02
1953	7,767,548	235,226	75,211	3.12

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1959	1958
Cash	$519,552	$113,009
Receivables, net	1,015,924	900,130
Inventories	2,311,476	2,847,995
Prepayments, etc.	26,684	35,754
Total current	$3,907,636	$3,896,978
Land, bldgs., etc.	2,346,357	2,167,295
Depr. & amort.	1,053,862	929,818
Net property	1,292,495	1,237,451
Investments, etc.	32,375	18,906
Debt. disct. & exp.	20,350	30,270
Total	$5,252,706	$5,183,603
Liabilities:		
Notes payable		$370,000
Debt due	$156,569	161,501
Accts. payable, etc.	931,753	529,102
Dividends payable	35,824	28,109
Income taxes	231,250	139,238
Total current	$1,353,196	$1,228,330
Debs. 5½s, '59-'62	109,000	150,000
Debs 5½s, 1966	419,000	489,000
Mtge. notes pay.	225,317	268,886
Com. stk. ($1)	284,932	284,692
Paid-in surplus	1,681,836	1,680,261
Retained earnings	1,190,365	1,080,439
Total	$5,252,706	$5,183,608
Net current assets	$2,554,440	$2,666,648
Net tang. com. sh.	$1.08	$10.70

(1)Lower cost (fifo) or replace. mkt.

Bonded Debt: 1. Marsh Steel Corp. convertible debenture 5½s, due 1966:

AUTHORIZED—$700,000; outstanding, $478,000.

DATED—Oct. 1, 1956.

MATURITY—Oct. 1, 1966.

INTEREST—A&O 1.

TRUSTEE—City National Bank & Trust Co., Kansas City, Mo.

DENOMINATION—Coupon, $1,000, $10,000 and authorized multiples of $10,000; registerable as to principal.

CALLABLE—As a whole or in part on at least 40 days' notice at any time to Sept. 30, incl., as follows:

1960	102½	1961	102	1962	101½
1963	101	1964	100½	1965	100

Also callable for sinking fund (which see) at 100.

SINKING FUND—Annually, cash to retire $70,000 debentures each Oct. 1, 1957-66 plus similar optional payments.

CONVERTIBLE—Into common at any time to Oct. 1, 1966, incl. (if called, to close of business on 5th day prior to redemption) at $12 per share to Oct. 1, 1961, incl.; $13 to Apr. 1, 1964, incl., and $14 per share thereafter, with cash in lieu of fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured. Company may not create any mortgage unless debentures are equally and ratably secured; except for purchase money mortgages up to 66 2/3% of cost of property acquired, existing liens on properties of subsidiaries and other permitted liens.

CREATION OF ADDITIONAL DEBT—Company may not create funded debt, except for refunding, unless thereafter consolidated net tangible assets at least equal 200% of consolidated funded debt.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends in excess of consolidated net earnings after Dec. 31, 1955 plus $250,000, or if, on a consolidated basis, excess of net assets over current liabilities is less than $1,500,000 and net worth is less than debentures outstanding. At Dec. 31, 1959, $645,531 of earned surplus was so restricted.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), majority of debentures may exercise any remedy available to trustee.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66 2/3% of debentures.

PURPOSE—Proceeds to purchase equipment; finance inventory and accounts receivable; for advances to subsidiaries; and for working capital.

2. Marsh Steel Corp. debenture 5½s, due serially to 1962:

AUTHORIZED—$300,000; outstanding, $150,000.

DATED—Nov. 1, 1956.

MATURITY—Due $50,000 each Nov. 1 to 1962.

INTEREST—M&N 1.

TRUSTEE—City National Bank & Trust Co., Kansas City, Mo.

DENOMINATION—Coupon, $1,000; registerable as to principal.

CALLABLE—As a whole, or in part in inverse numerical order at any time on at least 40 days' notice at 100 plus ½% for each unexpired year, but not to exceed price of 102½%.

OTHER PROVISIONS—Same as convertible debenture 5½s, due 1966.

PURPOSE—Issued in exchange for outstanding series A debenture 5s, due to 1962, par for par.

OFFERED—($700,000) at 100 (proceeds to company 95) on Oct. 3, 1956 by First Trust Co. of Lincoln, Neb. and others.

Mortgage Debt: Outstanding, Dec. 31, 1959, $264,886, represented by 4¼% to 6% mortgage notes due to 1977 and all held privately.

Capital Stock: 1. Marsh Steel & Aluminum Co. common; par $1:

Authorized, 1,000,000 shares; outstanding, 284,992; par $1 (changed from $10 par Sept. 6, 1956, two $1 shares issued for each $10 share).

Dividends Paid:

On $10 par shares:					
1951-53	$1.00	1954	$0.50	1955	$1.00
1956	0.50				
On $1 par shares:					
1956	0.17½	1957	0.70	1958-59	0.40
1960	0.25				

(1)To Apr. 1.

For dividend restrictions, see bonded debt above.

Has one vote per share. Has no preemptive rights.

Offered (125,000 shares $1 par) at $10 per share Oct. 3, 1956, by First Trust Co., Lincoln, Neb.

Transfer Agent and Registrar: City National Bank & Trust Co., Kansas City, Mo.

Stock Options held by officers and key employees at Dec. 31, 1959, on 10,700 shares at prices from $6.25 to $8.40 a share expire in May, 1964.

MASCO SCREW PRODUCTS CO.

History: Incorporated Dec. 16, 1929 in Michigan.

Business: Engaged in the manufacture of screw products for automobile and other industries.

Property: Plant located at Dearborn, Mich. Contains 118,000 sq. ft. of floor space.

Officers: Alex Manoogian, Pres.; Chas. Manoogian, Vice-Pres.; E. P. Ehrman, Sec. and Treas.

Subsidiary: Delta Faucet Corp. (wholly-owned).

Directors: Alex Manoogian, Arman Simone, E. P. Ehrman.

Auditors: Lybrand Ross Bros. and Montgomery.

Annual Meeting: Third Wednesday in May.

No. of Stockholders: Dec. 31, 1959, 775.

No. of Employees: Dec. 31, 1959, 200.

Office: 12825 Ford Road, Dearborn, Mich.

Income Account, years ended Dec. 31:

	1959	1958
Gross profit	$1,789,538	$1,079,420
Selling, etc., exp.	753,209	542,141
Deprec. & amort.	146,652	143,218
Pension plan	51,456	49,156
General taxes	153,891	141,775
Operating profit	684,209	203,130
Gain on assets	13,098	537
Other income	16,113	9,269
Total income	713,419	212,936
Income taxes	359,288	93,558
Net income	354,133	119,378
Retain. earn., 1-1	2,016,558	1,934,920
Dividends	55,059	36,703
Debit	1,324	134
Retain. earn., 12-31	[1]2,314,308	2,016,558

(1)Incl. $240,000 not restricted.

Sales and Earnings, years to Dec. 31 (in $):

	[1]Gross Profit	Net Income	No. of Shares	Earn. on Com.
1959	1,789,538	354,133	367,057	0.96
1958	1,079,420	119,378	367,037	0.33
[2]1957	5,084,335	115,198	367,337	0.31
1956	4,095,990	41,475	367,037	0.11
1955	4,717,810	145,740	367,037	0.41
1954	3,911,427	294,579	367,037	0.80

Receivables, net	8,183,813	8,912,867
(1)Inventories	11,669,496	11,858,112
Prepaid expenses	958,416	883,308
Total current	$28,337,376	$30,896,014
Land, bldgs., etc.	27,656,217	24,540,258
Deprec. & amort.	11,988,693	11,134,415
Net property	15,667,524	13,405,843
(2)Invest. & advan.	13,301,505	13,251,632
Deferr. chgs., etc.	108,167	52,384
Total	$57,414,472	$57,605,873
Liabilities:		
Accounts payable	$3,571,095	$3,524,658
Accruals, etc.	3,906,676	3,038,543
Income taxes	3,234,942	3,525,772
Dividends pay.	46,684	46,634
Notes payable	2,284,780	3,164,780
Total current	$13,154,187	$13,201,447
Notes, etc., pay.	7,580,000	10,164,780
5% pref. A ($50)	3,735,450	3,735,450
Com. stock ($1)	1,469,743	1,441,009
Paid-in surplus	(3)19,668,470	18,730,451
Retained earnings	11,506,622	10,332,736
Total	$57,414,472	$57,605,873
Net current assets	$15,183,089	$17,694,567
Net tang. com. sh.	$22.21	$21.17

(1)Lower cost (fifo) or replace. mkt. (2)After cred. $90,011 excess proceeds over par on opt. shs. and $880,608 for stk. div. and deduct. $32,600 excess cost over par com. acq. (3)Incl. $10,536,000 Reactive Metals Inc.

Term Loans: Outstanding, Dec. 31, 1960, $8,125,000 4¼% notes payable to insurance company $625,000 annually and $1,875,000 Apr. 1, 1971. Proceeds to repay loans and for general purposes.

Company may not pay dividends in excess of consolidated net income after Dec. 31, 1956 plus $2,500,000 minus investments (other than investments in subsidiaries or government securities) in excess of $2,000,000. Company agrees to maintain consolidated net working capital at not less than $13,000,000.

Also outstanding, Dec. 31, 1960, $1,539,780 4¾% notes payable $334,945 quarterly to Oct. 15, 1961 and $936,045 due Jan. 15, 1962. Company may not pay dividends in excess of consolidated net income after Jan. 1, 1956 plus $2,500,000, minus any investments after Dec. 31, 1955 in excess of $2,000,000. Company agrees to maintain consolidated net working capital at not less than $13,000,000.

At Dec. 31, 1960, $9,323,553 of consolidated retained earnings were so restricted.

Mortgage Loan: Outstanding, Dec. 31, 1960, $500,000 payable $120,000 annually each Mar. 1, 1961-64, incl., and $20,000 March 1, 1965.

Capital Stock: 1. **P. R. Mallory Co. 5% cumulative convertible preference, series A, par $50:**

AUTHORIZED—241,858 shares; issued 82,323 shares; outstanding, 74,709 shares; in treasury, 7,614 shares; par $50.

PREFERENCES—Has preference for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $2.50 per share annually, payable quarterly Feb. 1, etc.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends on common except from consolidated net earnings and proceeds of junior stock sold after Dec. 31, 1952 plus $850,000.

VOTING RIGHTS—Has one vote per share, non-cumulative.

Consent of 66 2/3% of preference required to increase authorized preference; create or increase authorized amount of equal or prior stock; to amend terms adversely (if less than all series, 66 2/3% of series affected); to sell substantially all assets or to merge. Consent of majority of series A preference required to issue preference (in addition to first 173,-660 shares) of prior or equal stock unless certain earnings and assets requirements are met.

LIQUIDATION RIGHTS—In liquidation, entitled to $50 per share if involuntary and redemption price if voluntary; plus dividends.

CALLABLE—As a whole or in part on at least 30 days' notice at any time at $53 per share initially, with periodic reduced prices.

SINKING FUND—Beginning Jan. 1, 1959 sufficient to retire 3% of shares annually.

CONVERTIBLE—Into common at price of $42.88 per share of common.

PURPOSE—Issued as part consideration for acquisition of assets of General Dry Batteries, Inc.

TRANSFER AGENT—Chase Manhattan Bank, New York.

REGISTRAR — Morgan Guaranty Trust Co., New York.

PRICE RANGE—	1960	1959	1958
High	55	55¾	50½
Low	51	50¼	45¾

2. P. R. Mallory & Co., Inc. common; $1 par:

AUTHORIZED—3,0 0,000 shares; outstanding, Dec. 31, 1960, 1,469,743 shares; reserved for option plan, 87,675 shares; reserved for conversion of preference, 93,992 shares; in treasury, 785 shares; par $1.

No par shares split 3-for-2 Sept. 15, 1955; changed from no par to $1 in Mar., 1956, share for share.

PREEMPTIVE RIGHTS—None.

VOTING RIGHTS—Has one vote per share, non-cumulative.

DIVIDENDS PAID—

On no par shares:					
1935	$0.10	1938	$0.40	(1)1957	$1.00
1938	0.10	1939	0.55	1940-43	1.00
1943	(1)1.00	1944-45	1.00	1946	1.65
1947-48	1.25	(2)1950	1.30	1951	1.50
1952	(1)1.25	1953	1.50	1954	2.00
(3)1955	1.83	1956	0.35		
On $1 par shares:					
1956	1.05	(1)1957-60	1.40	(3)1961	0.35

(1)Stock Dividends Paid: 1957, 100%; 1943, 20%; 1950, 20%; 1952, 25%; 1957, 1959 and 1960, 2%.

(2)Includes $1.50 paid prior to 3-for-2 split.

(3)To Mar. 11.

DIVIDEND RESTRICTIONS—See term loans; and 5% preference above.

LISTED—On New York Stock Exchange.

TRANSFER AGENT—Morgan Guaranty Trust Co., New York.

REGISTRAR—Chase Manhattan Bank, New York.

PRICE RANGE—

	1960	1959	1958	(1)1957	1956
High	50¼	50⅞	39⅞	50½	42½
Low	43	35¼	23⅝	23½	31¼

(1)Range since listing; for entire year, 51⅛-23½.

Stock Options held by certain officers and other key employees at Dec. 31, 1960 on 32,203 common shares at average price of $33.19 per share.

MANSFIELD TIRE & RUBBER CO.

History: Incorporated in Ohio, Feb. 10, 1912.

In 1951, Inland Rubber Corp. (Ohio), a wholly-owned subsidiary, acquired a 50% interest in Pacific Tire & Rubber Co. with plant at Oakland, Cal., now operated under lease by parent company, which acquired remaining 50% in 1960.

In 1951, Inland Rubber Corp. also acquired 65% interest in Southeastern Rubber Mfg. Co. Inc. (Ga.) (sold to parent in 1957), which manufactures tread rubber at Athens, Ga.

In May, 1953, General Tire & Rubber Co. (see general index) disposed of 43% stock interest in company's common stock.

Business: Manufacture tires and tubes, primarily for replacement use, for passenger cars, buses, trucks and farm implements; also manufactures tread rubber and miscellaneous tire and accessory items. Products sold under trade names Mansfield, Inland, Pharis and Pennsylvania.

Property: Main plants, containing 977,000 sq. ft. of floor space, are located on 18-acre site, owned in fee, and 5 acres, leased, at Mansfield, O. Company leases plant and warehouse space at Oakland, Cal., owned by Pacific Tire & Rubber Co. Company leases warehouse containing 62,000 sq. ft. in Oakland, Cal.

Company owns plant in Capistrano Beach, Cal., containing 10,000 sq. ft. for manufacture of mechanical rubber goods.

Inland Rubber Corp., wholly-owned, leases warehouse in Athens, Ga.

Southeastern Rubber Manufacturing Co. has tread rubber plant at Athens, Ga.

Pennsylvania Tire Co., a subsidiary, leases warehouses and office space in Atlanta, Oakland, Kansas City, Mo., Tupelo, Miss. and Clinton, Ia. and owns such facilities at New Village, N. J.; warehouse space in Los Angeles and Portland Ore.; and office space in Mansfield, O., and operates tread rubber plants in Clinton, Ia. and Paris Tex. Pennsylvania Tire & Rubber Co. of Mississippi, Inc., a subsidiary, operates 126,000 sq. ft. leased tire plant at Tupelo, Miss.

Mansfield Rubber (Canada) Ltd. (50% owned) operates 120,000 sq. ft. tire plant on 30 acres in Barrie, Ont.

Subsidiaries (wholly-owned): Inland Rubber Corp, Richland Rubber Co., Pharis Tire & Rubber Co., Century Tire & Rubber Co., Globe Rubber Co., Olympia Rubber Co., United Tire & Rubber Co., Pennsylvania Tire Co., Manufacturers Production Corp., all Ohio corporations. Pennsylvania Tire Acceptance Corp., Pennsylvania Tire & Rubber Co. of Miss., Inc., Clinton 31st Corp., Pacific Tire & Rubber Co.

Affiliates: Company has one-seventh interest in Copolymer Rubber & Chemical Corp. which operates synthetic rubber and butadiene plant in Baton Rouge, La. and 50% interests in Mansfield Rubber (Canada), Ltd., Barrie, Ont. Southeastern Rubber Manufacturing Co., Inc. (Ga.) and Barrie Rubber Realty Ltd., Barrie, Ont. Manufacturers Production Corp. owns 50% interest in Manufacturers Lease Corp. Ltd.

Inland Rubber Corp. has a 50% stock interest in Pacific Tire & Rubber Co. (Cal.).

Officers: J. H. Hoffman, Pres.; E. E. Stevens, Exec. Vice-Pres.; Lloyd Weaver, E. V. Duffy, J. M. Slattery, Vice-Pres.; P. P. Stephens, Sec.; C. L. Pollock, Treas.; W. J. Epley, Asst. Treas.

Directors: J. H. Hoffman, J. M. Slattery, P. P. Stephens, E. E. Stevens, Lloyd Weaver, J. J. Leslie.

Auditors: Arthur Young & Co.

Annual Meeting: Last Wednesday in April

No. of Stockholders: Nov. 1, 1960, 5,706.

No. of Employees: Dec. 31, 1960, 7,469.

Office: 515 Newman St., Mansfield, O.

Consolidated Income Account, years ended Dec. 31:

	(4)1960	1959
Net sales	$61,957,770	$68,950,073
Cost of sales	54,627,315	58,859,787
Selling, etc., exp.	6,851,087	6,514,537
(5)Operating profit	479,368	3,575,746
Other income	671,313	849,223
Total income	1,150,681	4,424,977
Interest	[illegible]	544,561
Fed. income tax	(6)[illegible]	1,605,000
Def. income tax	221,832	221,000
Pr. yrs. inc. tax	[illegible]	cr 145,000
Earn. not applic.	dr 71,615	[illegible]
Special credit	(7)[illegible]	[illegible]
Net income	[illegible]	2,282,477
Earn. surplus, 1-1	15,443,614	14,782,045
Com. divs. (cash)	717,018	1,095,918
Com. div. (stock)	[illegible]	525,918
Earn. surp., 12-31	(8)15,443,904	15,443,614
(9)Times int. earn.	1.77	5.43
Earn., com. share	$0.40	$1.62
No. of com. shares	1,476,725	(10)1,410,043

(4)Aft. $1,492,085 (1959, $2,070,794) deprec. (5)Incl. $11,430,964 restricted (6)Incl. inc. tax. (7)Arising from pr. yr. tax recovery fr. carryback of 1960 tax loss. (8)Incl. 27,479 stk. div. shs pd. Jan. 20, 1960 to [illegible] Pacific Tire & Rubber Co. (formerly 50% owned) acq. Sept. 30, 1960, for entire yr. (9)Equity pr. yr. earn.

Pacific Tire & Rubber Co.

Note: Equity undistrib. net inc. applic. com. year Dec. 31, 1960, $477,613 ($0.33 a sh.) 1959, $743,476 ($0.53 a sh.)

Sales and Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	68,950,072	2,282,477	(1)1,410,043	1.62
1958	63,604,203	2,210,228	1,410,043	1.71
1957	59,722,211	1,722,597	1,410,043	2.90
1956	61,537,525	1,376,825	1,410,043	2.92
1955	74,555,639	1,788,203	1,410,043	2.99
1954	50,378,302	890,445	1,410,043	1.91
1953	52,078,204	927,095	1,410,043	1.85
1952	55,551,343	1,220,068	1,410,043	2.41
1951	68,831,582	2,107,414	1,410,043	11.38
1950	47,400,904	2,525,487	1,410,043	13.60

(1)Reflects 2-for-1 split and excl. 27,479 stk. div. shs. pd. Jan. 20, 1960.

Note: Equity undistrib. net inc. applic. com. year Dec. 31, 1960, $715,476 (1959, $1,271,871, $0.53 (1958, $1.06) per com. sh.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1960	1959
Cash	$1,[illegible],271	$1,230,515
Receivables, net	10,157,323	9,554,165
Tax claim	409,287	[illegible]
Insurance claim	[illegible]	349,340
(1)Inventories	12,[illegible],475	15,831,399
Prepayments	271,958	524,210
Total current	$25,713,029	$27,490,530
Prop., plant, etc.	27,148,982	21,298,376
Depreciation	11,934,955	9,581,543
Net property	15,210,027	11,701,833
Trademarks	404,731	400,000
Inv. in assoc. cos.	871,797	1,036,929
Other investment	337,667	803,607
Non-curr. receiv.	208,477	[illegible]
Deferred charges	339,201	343,961
Total	$44,735,529	$43,176,891
Liabilities:		
Notes payable	$5,250,000	[illegible]
Accts. pay., etc.	3,813,773	$7,484,135
Debt due	866,938	266,467
Fed. inc. tax res.	[illegible]	1,023,312
Other taxes pay.	811,867	1,891,367
Dividend payable	[illegible]	295,309
Total current	$10,771,758	$10,161,510
Notes payable	1,842,798	81,310
Deb. 4¼s, 1973	4,350,000	4,650,000
Deb. 5s, 1974	5,031,000	5,032,500
Equip oblig.	177,519	187,587
Def. Fed. inc. tax	1,044,533	399,067
Com. stk. ($1.50)	2,568,314	(2)3,504,154
Capital surplus	2,519,665	2,655,149
Earned surplus	15,450,904	15,443,614
Total	$44,735,789	$42,176,891
Net current assets	$15,971,881	$17,709,143
Net tang. com. sh.	$14.30	$14.73

(1)Lower cost or mkt., incl. $2,661,143 (1959, $3,477,351) (fifo). (2)Incl. 27,479 stk. div. shs. pd. Jan. 20, 1960.

Long Term Debt: 1. **Mansfield Tire & Rubber Co. sinking fund debenture 4¼s, due 1973:**

Rating—Baa

AUTHORIZED—$ [illegible],000; outstanding, Dec. 31, 1960, $4,650,000.

DATED—July 1, 1958.

MATURITY—July 1, 1973.

INTEREST—J & J at office of trustee.

TRUSTEE—First National Bank, Chicago.

DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and authorized multiples thereof. C & R interchangeable.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to each June 30 incl. as follows:

1961	103½	1963	103¼	1965	103⅛
1962	103⅜	1964	103⅛	1966	103
1967	102⅞	1968	102⅝	1969	102⅜
1970	102⅛	1971	101⅞	1972	101¾

However no debentures may be redeemed prior to June 30, 1963 from proceeds of borrowing at interest cost to company of less than 4.90%.

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Callable also on like notice for sinking fund (which see) at 100.

SINKING FUND—Annually, cash (or debentures) to retire $10,000 debentures each July 1, 1963-71 plus similar optional payments. Moneys not needed for redemptions may be used to redeem debentures at 100 or, if less than $25,000, to purchase debentures at public or private sale.

SECURITY—Not secured. Company may not merge with or sell substantially all property to another corporation having obligations secured by mortgage if any assets owned by company prior thereto would become subject to the lien of such mortgage unless debentures are secured by direct prior lien on all such assets, other than existing liens thereon.

CREATION OF ADDITIONAL DEBT—Company may not create additional funded debt (except for refunding) unless thereafter, on consolidated basis, tangible assets less current liabilities are at least 250% of funded debt. Company or any subsidiary may not mortgage property unless debentures are equally and ratably secured, except for certain permitted encumbrances, including liens to secure loans for war or defense contracts or subcontracts; purchase money mortgages; pre-existing liens and renewals thereof.

Sale and Leaseback: Company and its subsidiaries may not sell and leaseback plants No. 1 and 2 at Mansfield, O.; in event, after July 1, 1958, sale and leaseback of any other plant is effected, fair value of such plant shall be included in determining funded debt and consolidated tangible assets except when annual net rentals thereunder are less than $100,000.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends on or acquire any stock or permit any subsidiary to acquire such stock (except in exchange for stock or through application of proceeds of concurrent sale of stock or through retirement of 6% preferred) in excess of consolidated net income after Dec. 31, 1957 plus $1,000,000 and net proceeds of sale after that date of stock and of any debt converted into stock.

At Dec. 31, 1960, $14,430,904 of consolidated earned surplus was so restricted.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to redeem debenture 3½s due 1976 and 6% preferred stock; for capital expenditures and other purposes.

OFFERED—($5,000,000) at 99¾ (proceeds to company, 97½) on June 23, 1954 by A. G. Becker & Co., Inc., Chicago, and associates.

PRICE RANGE—	1960	1959	1958
High	97	99	99¾
Low	81	95	99¼

2. Mansfield Tire & Rubber Co. convertible subordinated debenture 5s, due 1974:

Rating—Ba

AUTHORIZED—$5,038,300; outstanding, Dec. 31, 1960, $5,031,000.

DATED—June 1, 1959.

MATURITY—June 1, 1974.

INTEREST—J&D1 at office of trustee. Interest accrues from June 18, 1959.

TRUSTEE—Central National Bank, Cleveland.

DENOMINATION—Coupon, $100, $500, $1,000 and authorized multiples of $1,000; interchangeable; registerable as to principal.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to May 31 incl., as follows:

1960	105	1961	104½	1962	104
1963	103½	1964	103	1965	102½
1966	102	1967	101½	1968	101
1969	100½	1974	100		

Also callable on like notice at 100 for sinking fund (which see) beginning June 1, 1964.

SINKING FUND—Annually, cash (or debentures) to retire (1) on each June 1, 1964-68, 5% of debentures outstanding on Apr. 1, 1964, and (2) on each June 1, 1963-73, 10% of debentures outstanding on Apr. 1, 1964. Unexpended moneys may, at company's option, be used to redeem debentures at 100, or if less than $15,000, for purchase of debentures. Payments will retire 75% of issue by maturity.

CONVERTIBLE—Into common on or before June 1, 1971 (if called, on or before 15th day prior to redemption date) at $23.05 per share (43.38 shares per $1,000 debenture), with no adjustments for interest or dividends; cash paid for fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured; subordinated to prior payment of senior debt, including debenture 4½s due 1973 and other debt for borrowed money, unless expressly stated as not superior to convertible subordinated debentures.

SALES AND LEASE-BACKS—Indenture prohibits sale and lease-back by company or any subsidiary of all or substantial part of company's Plants No. 1 and 2 at Mansfield, O.; in event after June 1, 1959, any sale or lease-back of any other plant, fair value of plant shall be included in determination of funded debt and consolidated tangible assets, except during any period when aggregate annual net rentals are less than $100,000.

ADDITIONAL FUNDED DEBT—May not be created (except for refunding) unless thereafter on consolidated basis tangible assets less current liabilities equal at least 200% of funded debt. Company or any subsidiary may not mortgage property without equally and ratably securing debentures by such lien; excepted are liens to secure loans, war or defense contracts; purchase money mortgages; preexisting liens and renewals thereof.

DIVIDEND RESTRICTION—Company may not pay cash dividends or acquire (or permit any subsidiary to acquire) any stock in excess of consolidated net income after Dec. 31, 1958, plus $1,000,000 and net proceeds from sale after June 1, 1959, of stock or of debt converted into stock.

RIGHTS ON DEFAULT—In event of default (30-day grace period for interest payment), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to repay short-term bank loans and for working capital.

OFFERED—($5,038,300) on June 4, 1959 for subscription by common stockholders at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. A. G. Becker & Co., Inc., Chicago, headed underwriting group.

PRICE RANGE—1960, 99-81; 1959, 105¾-93.

Other Debt: Outstanding, Dec. 31, 1960, $187,643 5% equipment obligations due to 1974 and $51,312 5½% mortgage note due to 1966; also $2,000,000 6% promissory notes payable $100,000 semi-annually to Dec. 15, 1970 with optional prepayments.

Capital Stock: 1. Mansfield Tire & Rubber Co. common; par $2.50:

AUTHORIZED—2,000,000 shares; outstanding, Dec. 31, 1960, 1,426,328 shares reserved for debenture conversions, 218,264 shares; reserved for options, 40,800 shares; par $2.50.

Par changed from no par to $5 in March, 1952, by 3-for-1 split; from $5 to $2.50 May 20, 1959 by 2-for-1 split.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

DIVIDEND RECORD—

On no par shares:					
1938	$1.00	1939	$1.40	1940	$0.85
1941	1.00	1942-43	1.50	1944-48	1.00
1946-47	2.00	1948	1.50	1949	0.70
1950	2.00				
On $5 par shares:					
1952	1.60	1953	1.20	1954	1.15
1955	1.05	1956-57	1.20	1958	1.22½
1959	0.67½				
On $2.50 par shares:					
1959	0.40	[f]1960	0.70		

[f]Also 2% in stock.

DIVIDEND RESTRICTIONS—See funded debt above.

LISTED—On American Stock Exchange.

OFFERED—(47,615 common shares) at $15.50 per share May 17, 1939 by Otis & Co. (Inc.), Cleveland. Of current offering, proceeds from sale of 13,800 unissued shares were applied toward adding to plant facilities and for additional working capital; proceeds from sale of 33,815 shares accrued to shareholders.

(200,000 shares) at $15 per share on May 8, 1953, by A. G. Becker & Co., Inc., Chicago, and associates. Offering did not represent company financing, the shares having been sold by General Tire & Rubber Co.

PRICE RANGE—	1960[f]	1959	1958	1957[f]	1956
High	19¼	22⅛	35½	15⅜	16½
Low	7	15⅛	13¾	12½	12¾

[f]After stock split; before, 49-20½.

[f]Range since listing; for year, 19-12¾.

Transfer and Dividend Disbursing Agents: Central National Bank, Cleveland, O.; Chase Manhattan Bank, New York, Co-Transfer Agent.

Registrars: National City Bank of Cleveland, Cleveland, O. and Hanover Bank, New York.

Subscription Rights: Common stockholders of record June 24, 1958, had right to subscribe at par to $2,511,400 5% convertible subordinated debentures, due July 1, 1973, on basis of $100 debentures for each 22 common shares held. Rights expired July 10, 1958. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Common stockholders of record June 2, 1959, had right to subscribe to $5,038,300 convertible subordinated debenture 5s, due 1974, at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Stock Options held by certain officers and key employees at Dec. 31, 1960 on 22,250 shares at $13 per share expire June 30, 1964.

MARLEY CO.

History: Incorporated in Delaware Aug. 13, 1952; business established in 1922.

Business: Company manufactures water cooling towers for re-use of water used in steam generation of electric energy, industrial processing and air-conditioning; also makes air cooled refrigerant condensers; services all water cooling towers.

Property: Company owns 132,000 sq. ft. plant in Louisville, Ky.; 61,000 sq. ft. plant in Kansas City, Kans.; other plants in Stockton, Cal. and Houston, Tex. have total floor area of 95,020 sq. ft.; also 38,000 sq. ft. office building in Kansas City, Mo.

Subsidiaries (wholly-owned): Marley International Inc.; Marley International, S. A.; Marley Western Corp.; Marley Panamerican Inc., all wholly-owned. Also Marley Canadian Ltd.; Ajax Engineers Ltd.; Marley Co. of Venezuela, C. A., all majority-owned.

Officers: J. A. Cameron, Pres.; L. A. Christensen, W. G. Cramer, E. C. Mein, M. A. Patton, R. J. Powell, F. B. Reed, Vice-Pres.; E. P. Bulow, Treas.; Rose M. Kimbrell, Sec.

Directors: J. A. Cameron, L. A. Christensen, R. J. Powell, Rose M. Kimbrell, J. C. Denton, J. A. Keeth, Arthur Mag, Stanley Power, R. O. Joslyn.

Auditors: Arthur Andersen & Co.

Annual Meeting: Third Saturday in Dec.

No. of Stockholders: Apr. 1, 1961, 800.

No. of Employees: Jan. 1, 1961, 820.

Office: 222 West Gregory Blvd., Kansas City, Mo.

Consolidated Income Account, years ended Oct. 31 (from SEC report):

	1960	1959	1958
Net sales	$19,303,719	$17,548,343	$18,223,468
Cost of sales	13,861,224	12,555,527	12,731,206
Sell. etc., exp.	3,942,074	3,988,685	4,170,588
Oper. profit	1,500,421	1,004,131	1,271,674
Other inc.	128,737	65,550	82,851
Total income	1,629,158	1,069,681	1,354,525
Interest	131,977	104,898	89,505
Other deduct.	85,570	9,528	8,955
Income taxes	725,000	491,200	653,600
Life ins. proc.	-------	cr 128,971	-------
[f]Net income	686,611	599,026	602,465
Pr. earn. surp.	5,802,444	5,559,743	5,289,954
Divs.	323,111	356,325	332,676
Earn. surp., 10-31	6,165,944	5,802,444	5,559,743
Earn. com. sh.	$1.87	$1.48	$1.50
No. of com. shs.	367,079	406,101	401,854

[f]After deprec. & amort.: 1960, $348,584; 1959, $359,470; 1958, $328,274.

Consolidated Sales and Earnings, yrs. to Oct. 31 (in $):

	Net Sales	Net Income	No. of Com. Shs.	Earn. Com. Sh.
'57	22,763,816	1,104,422	438,131	2.41
'56	22,381,778	1,045,609	438,304	2.39
'55	14,408,266	347,597	431,689	0.81
'54	14,798,823	380,919	448,164	0.85
'53	13,390,002	617,332	439,742	1.40

Consolidated Balance Sheet, as of Oct. 31, 1960 (from SEC report):

Assets:	
Cash	$1,167,548
Receivables, net	3,289,143
Invent. (low. cost [fifo] or mkt.)	2,911,926
Total current	$7,368,617
Land, buildings, etc.	5,204,698
Depreciation	2,578,492
Net property	2,626,206
Invest. & adv. fgn. subs.	148 070
Other assets	320,377
Total	$10,463,270
Accounts payable	$780,188
Liabilities:	
Accruals, etc.	763,466
Income taxes	1,182,224
Debt due	158,500
Total current	$2,884,378
Debentures 6s, 1979	1,161,000
Mtge. note payable	809,250
Common stock ($2)	954,474
Capital surplus	303,359
Earned surplus	6,165,944
Total	7,423,777
Reacq. stk. (110,158 shs. cost)	1,815,135
Net stock & surplus	5,603,642
Total	$10,463,270
Net current assets	$4,484,239
Net tangible val. com. sh.	$15.28

Bank Loan: Outstanding, Jan. 31, 1961, $500,000 notes under agreement providing for maximum borrowings of $2,000,000, with interest at prime rate.

Mortgage Debt: Outstanding, Dec. 31, 1960, $878,625 4½% notes payable $23,125 quarterly to 1970; secured on substantially all property.

Debenture Debt: Outstanding, Dec. 31, 1960, $1,201,000 subordinated 6s due annually: $66,000 to 1974; $65,000, 1975; $63,000, 1976-78; $22,000, 1979; subordinated to all debt. Issued to repurchase common stock under options and stock purchase agreement of Nov. 10, 1952.

Company may not pay cash dividends or acquire stock (1) which would reduce consolidated net tangible assets below 150% of consolidated funded debt; (2) if any debt is in

Mansfield
1962

...	2,810,123	[1]968,292
...cap. ...	194,115	168,512
...min cap. ...	358,270	136,836
...cap ...	1,e...,217	...
...ciel, etc. ...	1,265,639	493,215
...osits ...	1...,163	602,526
...rnings ...	387,116	d 411,987
...ncome ...	...	12,128
...ncome ...	387,116	d 429,759
...ncome ...	544,937	214,989
...ets sold ...	374,645	...
...ofit ...	2...,504	[2]d 644,746
...shelf, 1-1...	2,295,505	1,650,737
...debenture ...	3,977,647	...
...ndj. ...	cr 1,384,200	...
...etc adj. ...	cr 606,727	2,295,503
...deficit, 12-31	3,644,121	[3]d $0.57
...com. share...	$0.13	1,127,240
...com. shares	[3]3,043,133	

...d Grande Corp (merged Aug. 31, '61)
...ture yr. [2]Reflects shs. for merger.
...co. merged 1961: Total inc. $3,062,636;
...a. $993,662; earn. com. sh. d $0.23 on
...) shs.

...nce Sheet, as of Dec. 31:

	1961	1960
...ts:	$159,796	$874
...	2,100,000	...
...Govt. secur. ...	607,764	178,956
...ables ...	284,353	4,359
...t. (aver. cost)		
...otal current ...	$3,221,912	[4]$184,189
...& equip. ...	16,261,384	6,216,701
...c. & deplet...	3,968,560	1,755,779
... property ...	12,272,815	4,460,922
...tment ...	433,373	192,348
... assets ...	634,825	150,475
...otal ...	$16,582,924	$4,967,934
...bilities:		
... payable ...	$1,560,000	$340,000
...nts pay. ...	611,408	179,850
...als ...	39,504	4,993
...otal current ...	$2,210,910	[4]$1,024,843
... payable ...	7,720,000	2,240,000
...stx. ($0.50)...	1,523,507	566,401
...[1]$8,879,964	$1,175,932	
...al surplus ...	3,684,421	2,295,505
...ed deficit ...	6,667,950	1,716,819
...	...	23,737
...acq. stock ...	15,936	...
...t stk. & surp...	6,652,014	1,723,031
...otal ...	$16,582,924	$1,947,934
...current assets	$1,011,002	[5]d $810,654
...arg. com. sh. ...	$2.19	$1.57

...After cred. $7,560,219 merged co.; $2,052,712
... merged co. deb. & deduct. $1,260,000
...er adj. net. [2]Shs. at cost: 1961, 3,021; 1960
...[3]Incl. Grande Corp. [4]Incl. co. merged
...961: Curr. assets, $1,416,422; curr. liabil.,
...6,459; net curr. assets, d $2,810,047.
...rtgage Loan: Outstanding, Dec. 31, 1961,
...0,000 comprising $7,610,000 6½% notes
...ble $130,000 monthly; and $1,670,000 8%
...s payable $130,000 monthly beginning

...mpany may not pay cash dividends; also
...es to maintain current assets at not less
... 150% of current liability.

...pital Stock: Magna Oil Corp. common;
...50 cents:
...THORIZED—3,000,000 shares; outstanding,
... 31, 1961, 3,013,193 shares; in treasury,
... shares; par 50 cents.
...rande Corp. owns 60% of stock.
...TING RIGHTS—Has one vote per share;
...mulative voting for directors not permitted.
...EMPTIVE RIGHTS—None.
...IDENDS—No dividends paid.
...FERED—(240,000 shares) at $5 per share
...oceeds to company $4.50 per share) on Dec.
... 1954 by Bache & Co., New York.
...NSFER AGENTS—Chemical Bank New
...k Trust Co., New York and Mercantile Na-
...al Bank, Dallas.
...GISTRAR—Grace National Bank, New
...k and Mercantile National Bank, Dallas.
...STED—On American Stock Exchange.

	1961	1960	1959	1958	1957
...ICE RANGE—					
...igh...	7⅞	11¼	19½	12⅛	10½
...ow ...	3⅛	4⅛	7⅛	4⅛	4⅛

...tock Options held by certain officers and ...former director at Dec. 31, 1961, on 13,900 ...res at $6.50 per share expire in 1963.

...ANGEL STORES CORP.

...istory: Incorporated in Delaware Mar. 19, ...to acquire entire capital stock of Mangel's, ...(incorporated under New Jersey laws in ...as The New York Waist House).
...Name of Mangel's Inc. was changed to Lea-...n Corp. on June 28, 1932. On June 29, 1932, ...gnam Corp. was petitioned into bankruptcy. ...or to the bankruptcy, all the creditors hav-...been paid in full, the assets of Legnam ...rp. were transferred to 27 corporations or-...nized in various states where stores are lo-...ed and all stock of which is owned by Man-...l Stores Corp.
...On Nov. 1, 1936, Mangel Stores, Inc. was or-...nized to become the active operating or-...nization for the effective purchase and dis-...bution of merchandise and the stores are ...erated by wholly-owned subsidiaries in each ...ate. On the same date Mangel Stores Corp. ...verted to its former status of a holding com-...ny for all operating companies.
In Sept., 1960, acquired entire control stock ...Sallie Ann Shops operating 26 stores in Texas and La. In Feb., 1955 Mangel Stores, a subsidiary, leased a 6-story building containing 175,000 sq. ft. of floor space in New York.

Business: Sell ladies' apparel through a chain of 162 stores located in 27 states in the East, Middle West and South.

Subsidiary: Mangel Stores Realty Corp.

Officers: Sol Mangel, Pres.; Sidney Mangel, Vice-Pres. and Asst. Sec.; Louis Josefsberg, Vice-Pres. and Asst. Sec.; Louis Josefsberg, Vice-Pres. and Asst. Sec.; Maurice Mantel, Walter Mayer, B. R. Rosthal, H. M. Guzy, D. M. Diamond, P. F. Frankel, Sophia Kaufman, S. S. Jaffe, M. N. Jaffe, Vice-Pres.; Max Weinreich, Sec.; Philip Diamond, Treas.; I. A. Diamond, Vice-Pres. and Asst. Treas.; S. C. Guzy, Vice-Pres. and Asst. Sec.; Al Klein, Vice-Pres., Asst. Sec. and Contr.; Emanual Mangel, Asst. Treas.

Directors: Sol Mangel, M. Weinreich, P. F. Frankel, I. A. Diamond, P. Diamond, S. C. Guzy, Sidney Mangel, G. M. Jaffin, H. J. Dietz, Al Klein, S. S. Jaffe, N. N. Jaffe.

Annual Meeting: First Tuesday in May.

Auditors: S. D. Leidesdorf & Co.

Counsel: Cole, Friedman & Dietz, New York.

No. of Stockholders: Jan. 28, 1961, 1,500.

No. of Employees: Jan. 29, 1961, 3,000.

Offices: 115 West 18 St., New York 11, N. Y.

Consolidated Income Account (excl. real estate subs.):

	53 wks. to Feb. 3 '62	52 wks. to Jan. 28 '61
[1]Net sales	$[illegible]	$62,[illegible]
Costs & expenses	[illegible]	[illegible]
Deprec. & amort.	[illegible]	[illegible]
Net earnings	[illegible]	[illegible]
[2]Earn., R. E. subs.	[illegible]	[illegible]
Other income, net	[illegible]	[illegible]
Total income	[illegible]	[illegible]
Fed. income tax	[illegible]	[illegible]
Net profit	[illegible]	[illegible]
[3]Special item	[illegible]	[illegible]
Total	[illegible]	[illegible]
Prev. retain. earn.	[illegible]	[illegible]
Com. divs. (cash)	[illegible]	[illegible]
Acq. ret. earn.	[illegible]	[illegible]
Retained earnings	[illegible]	10,[illegible]
Earn., com. share	[illegible]	$2.03
No. of com. shares	[illegible]	692,920

[1]$2.23 incl. spec. item. [2]Incl. lease depts. [3]Aft. $120,345 (1961), $97,911 (1960) deprec. & Pr. yr. adj., net of $40,000 Fed. inc. tax. [4]Incl. subs. of Polly Perry 000 not restricted. [5]Incl. subs of Polly Perry Stores, Inc., acq. July, 1961, for entire period "pool. int."

Sales and Earnings, years to Jan. 31 (in $):

	Net Sales	Net Profit	No. of Shares	Earn. on Com.
1960...	54,331,504	1,506,353	672,170	2.37
1959...	42,654,410	1,142,346	5[illegible]	[1]2.06
1958...	39,329,035	1,013,033	506,054	2.07
1957...	33,177,700	1,[illegible]	[illegible]	5.01
1956...	22,933,147	1,079,[illegible]	252,787	4.27
1955...	27,564,670	831,215	252,787	3.52
1954...	28,491,178	856,934	253,287	3.28
1953...	29,013,922	757,[illegible]	253,287	2.99
1952...	29,116,238	743,722	256,787	2.90
1951...	25,635,310	613,404	256,787	2.40

[1]$2.24 on average shares.

Consolidated Balance Sheet, as of (excl. real estate subs.):

	Feb. 3 '62	Jan. 28 '61
Assets:		
Cash	$3,714,029	$2,257,866
U. S. Govt. secur.	20,375	150,417
Commerce paper	991,360	1,499,575
Receivables, net	2,881,632	3,224,458
[1]Inventories	11,384,152	7,393,154
Total current	$19,102,049	$14,516,470
Furn., impr., etc.	10,711,192	10,010,000
Deprec. & amort.	3,885,939	4,229,423
Net furn., etc.	6,825,253	5,780,577
Real estate, net	120,723	125,041
Goodwill	1	1
Invest. & adv. subs.	1,075,977	1,098,343
Other assets	282,489	233,051
Deferred charges	736,623	485,113
Total	$28,143,115	$22,238,536
Liabilities:		
Notes, etc., pay.	$87,333	$200,000
Accounts payable	2,248,818	1,262,043
Accr. taxes, etc.	1,683,320	2,115,596
Custom. credits	106,035	114,473
Fed. income tax	999,724	[2]------
Total current	$4,123,230	$3,692,112
Notes payable	5,831,917	3,615,500
Com. stock ($1)	724,130	692,920
Capital surplus	[3]3,854,771	3,510,132
Retained earnings	11,807,067	10,727,932
Total	$28,143,115	$22,238,536
Net current assets	$12,978,819	$10,824,358
Net tang. com. sh.	$22.62	$21.55

[1]After deduct. $860,871. [2]After cred. $282,184. [3]Lower cost or mkt. U. S. Govt. secur. acq. cos., and $66,455 opt. stk.

Note: At Feb. 3, 1962 minimum annual rentals on 116 leases expir. after 3 yrs. totaled $2,828,000, plus, in certain cases, taxes, insur., etc.

Term Loan: Outstanding, Feb. 3, 1962, $5,500,000 5¾% notes payable annually, Jan. 15, 1964-77, under agreement providing for issuance prior to Jan. 31, 1962 of $3,084,500 additional notes. Proceeds to repay 3½% notes and 3½% notes due Mar. 1, 1961 and 4% notes due Sept. 1, 1966 and for other purposes.

Company may not pay cash dividends or acquire stock in excess of 70% of consolidated net income after Jan. 31, 1960 plus $1,000,000 and excess of expenditures for stock acquired over proceeds of stock sold. Company agrees to maintain working capital of at least $8,000,000 to Jan. 31, 1962 and $10,000,000 thereafter. At Feb. 3, 1962, $1,350,000 of earned surplus was not so restricted.

Subsidiary Mortgages: Outstanding, Feb. 3, 1962, $2,814,000 5½% mortgages payable quarterly to Mar. 1, 1989, secured by mortgages on New York City buildings and by assignment of certain specified leases of space in mortgaged premises. Guaranteed by parent company.

Capital Stock: L. Mangel Stores Corp. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, Feb. 3, 1962, 724,130 shares; in treasury, 49,601 shares; reserved for options, 10,555 shares; par $1 (changed from no par in Nov., 1936, share for share).

DIVIDEND RESTRICTION—See term loan and debentures, above.

DIVIDENDS PAID—(calendar years):

1945 ...	$0.50	1956-53	$1.00	1954...	$1.25
1955...	1.65	1956...	2.00	[1]1957...	0.50
		After 100% stock dividend			
1957 ...	0.90	1958-61	1.20	[2]1962...	0.30

[1]Also 100% in stock.
[2]To Mar. 16.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., New York.

REGISTRAR—Manufacturers Hanover Trust Co., New York.

LISTED—On American Stock Exchange.

PRICE RANGE—	1961	1960	1959	1958	[1]1957
High...	57	36½	32¾	25½	17⅜
Low...	30⅜	26½	23⅛	13⅛	12½

[1]After stock div.; before, 35½-28.

Stock Options held by executives and key employees at Feb. 3, 1962 on 6,435 shares at prices from $13 to $28.50 a share expire to 1966.

MANSFIELD TIRE & RUBBER CO.

History: Incorporated in Ohio, Feb. 10, 1913.

In 1951, Inland Rubber Corp. (Ohio), a wholly-owned susidiary, acquired a 50% interest in Pacific Tire & Rubber Co. with plant at Oakland, Cal., now operated under lease by parent company, which acquired remaining 50% in 1960.

In 1951, Inland Rubber Corp. also acquired 50% interest in Southeastern Rubber Mfg. Co. Inc. (Ga.) (sold to parent in 1957), which manufactures tread rubber at Athens, Ga.

In May, 1955, General Tire & Rubber Co. (see general index) disposed of 43% stock interest in company's common stock.

In 1961, acquired Abel Corp., Columbus, O. for 200,000 shares and 20% interest in Madras (India) Rubber Factory Ltd.

In Jan., 1962, acquired Minute Man Enterprises, Inc. and New York Minutemen, Inc. (Mass.) for 50,000 shares.

Business: Manufacture tires and tubes, primarily for replacement use, for passenger cars, buses, trucks and farm implements; also manufactures tread rubber and miscellaneous tire and accessory items. Products sold under trade names Mansfield, Inland, Abel, Pharis and Pennsylvania.

Property: Main plants, containing 977,000 sq. ft. of floor space, are located on 18-acre site, owned in fee and 5 acres, leased, at Mansfield, O. Company leases plant and warehouse space at Oakland, Cal., owned by Pacific Tire & Rubber Co. Company leases warehouse containing 62,000 sq. ft. in Oakland, Cal.

Company owns plant in Capistrano Beach, Cal., containing 40,000 sq. ft. for manufacture of mechanical rubber goods.

Inland Rubber Corp., wholly-owned, leases warehouse in Athens, Ga.

Southeastern Rubber Manufacturing Co. has tread ruhber plant at Athens, Ga.

Pennsylvania Tire Co., a subsidiary, leases warehouses and office space in Atlanta, Oakland, Kansas City, Mo. and Clinton Ia. and owns such facilities at New Village, N. J.; warehouse space in Los Angeles, Lowell, Mass. and Portland, Ore.; and office space in Mansfield, O., and operates tread rubber plants in Clinton, Ia. and Paris Tex. Pennsylvania Tire & Rubber Co. of Mississippi, Inc., a subsidiary, operates 126,400 sq. ft. leased tire plant at Tupelo, Miss.

Mansfield Rubber (Canada) Ltd. (50% owned) operates 120,000 sq. ft. tire plant on 30 acres in Barrie, Ont.

Subsidiaries (wholly-owned): Inland Rubber Corp. Richland Rubber Co., Pharis Tire & Rubber Co., Century Tire & Rubber Co., Globe Rubber Co., Olympia Rubber Co., United Tire & Rubber Co., Pennsylvania Tire Co., Manufacturers Production Corp., all Ohio corporations. Pennsylvania Tire Acceptance Corp., Pennsylvania Tire & Rubber Co. of Miss., Inc., Clinton 31st Corp., Pacific Tire & Rubber Co., Abel Corp.

Affiliates: Company has one-seventh interest in Copolymer Rubber & Chemical Corp. which operates synthetic rubber and butadiene plant in Baton Rouge, La. and 50% interests in Mansfield Rubber (Canada), Ltd., Barrie, Ont. Southeastern Rubber Manufacturing Co., Inc. (Ga.) and Barrie Rubber Realty Ltd., Barrie, Ont.

MANSFIELD 1962 (29) C5A

Inland Rubber Corp. has a 50% stock interest in Pacific Tire & Rubber Co. (Cal.).

Company has 20% in Madras Rubber Factory Ltd., Madras, India.

Officers: J. H. Hoffman, Pres.; E. E. Stevens, Vice-Pres.; E. P. Stephens, Sec.; C. L. Pollock, Treas.; W. J. Epley, Asst. Treas.

Directors: J. H. Hoffman, J. M. Slattery, E. P. Stephens, E. E. Stevens, Boyd Weaver, J. J. Levin.

Auditors: Arthur Young & Co.

Annual Meeting: Last Wednesday in April.

No. of Stockholders: Mar. 1, 1962, 4,907.

No. of Employees: Dec. 31, 1961, 3,022.

Office: 515 Newman St., Mansfield, O.

Consolidated Income Account, years ended Dec. 31:

	1961	1960
Net sales	$62,210,261	[1]$61,957,770
Cost of sales	48,315,187	54,627,348
Selling, etc., exp.	12,583,764	6,851,647
[2]Operating profit	1,281,330	478,775
Other income	[3]1,146,990	674,313
Total income	2,428,320	1,153,048
Interest	900,861	846,966
Fed. income tax	634,361	[4]cr 283,410
Def. income tax	23,279	231,239
Earn. not applic.	--------	*dr* 21,745
Special credit	--------	[5]368,700
Net income	869,819	[6]705,208
Earn. surp., 1-1	15,723,103	15,443,614
Com. divs. (cash)	152,668	717,918
Earn. surp., 12-31	[7]16,450,269	[8]15,430,904
[9]Times int. earn.	2.70	1.77
Earn., com. share	$0.57	[10]$0.49
No. of com. shares	[11]1,526,526	1,426,526

[1]After $2,043,850 (1960, $1,402,085) depreciation. [2]Incl. $14,733,103 restricted. [3]Bef. inc. tax. [4]Arising from pr. yr. tax recovery fr. carryback of 1960 tax loss. [5]Excl. 100,000 shs. to be iss. in acq. of Abel Corp. [6]Incl. Pacific Tire & Rubber Co. (formerly 50% owned) acq. Sept. 30, 1960, for entire yr. [7]Equity pr. yr. earn. Pacific Tire & Rubber Co. [8]Incl. Abel Corp., acq. July 31, 1961, "pool. int." for entire year. [9]Incl. co. acq.: Net sales, $67,331,-381; net income, $563,289; earn. surp., $15,733,-103; earn., com. sh., $0.37 on 1,526,526 shs. [10]Incl. $321,665 non-recur. gain assets sold.

Note: Equity undistrib. net inc. assoc. cos. years Dec. 31, 1961, $451,749 ($0.30 a sh.); 1960, $477,613 ($0.33 a sh.).

Sales and Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Income	No. of Shares	Earn. on Com.
1959	69,950,072	2,282,477	[1]1,410,953	1.62
1958	63,624,393	2,310,588	603,049	3.71
1957	59,722,211	1,322,957	552,504	2.50
1956	61,557,595	1,376,683	552,504	2.23
1955	71,555,659	1,768,203	552,504	3.00
1954	50,378,302	890,485	552,504	1.61
1953	59,078,904	927,005	552,504	1.68
1952	55,551,843	1,330,099	552,504	2.41
1951	66,831,583	2,107,414	183,422	11.38
1950	47,400,804	2,525,487	161,204	15.49

[1]Reflects 2-for-1 split, and excl. 27,499 stk. div. shs. pd. Jan. 20, 1960.

Note: Equity undistrib. net inc. assoc. cos. year Dec. 31, 1959, $743,476 (1958, $637,671), $0.53 (1958, $1.06) per com. sh.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	[1]1961	1960
Cash	$2,207,104	$1,630,278
Receivables, net	11,550,217	10,157,913
Tax claim	--------	408,097
[2]Inventories	14,932,516	13,975,425
Prepayments	668,249	571,926
Total current	$29,358,086	[3]$26,743,639
Prop., plant, etc.	27,615,758	27,148,982
Depreciation	13,265,892	11,838,955
Net property	14,349,866	15,310,027
Trademarks	404,445	404,781
Inv. in assoc. cos.	1,057,189	591,797
Other investment	275,699	837,667
Non-curr. receiv.	493,956	508,677
Deferred charges	719,159	339,201
Total	$46,658,400	$44,735,789
Liabilities:		
Notes payable	$5,165,000	$5,250,000
Accts. pay., etc.	5,102,162	3,843,773
Debt due	519,266	666,938
Fed. inc. tax res.	145,483	--------
Other taxes pay.	1,260,584	811,047
Total current	$12,193,095	[4]$10,771,758
Notes payable	1,600,000	1,843,798
Deb. 4¾s, 1973	3,950,000	4,300,000
Deb. 5s, 1974	5,031,000	5,031,000
Oth. lg. tm. debt	203,346	177,818
Def. Fed. inc tax	1,117,811	1,094,532
Com. stk. ($2.50)	[5]4,066,314	3,566,314
Capital surplus	[6]2,676,565	2,519,665
Earned surplus	16,450,269	15,430,904
Total	$46,658,400	$44,735,789
Net current assets	$17,164,991	[4]$15,971,881
Net tang. com. sh.	[7]$13.64	$14.85

[1]Lower cost or mkt., incl. $2,651,255 (1960, $2,061,142) (lifo). [2]Incl. 100,000 shs. to be iss. acq. Abel Corp. [3]Incl. Abel Corp. [4]Restated to incl. co. acq.: Curr. assets, $27,670,351; curr. liab., $11,792,406; net curr. assets, $16,077,945. [5]After deduct. $143,100 acq. Abel Corp.

Long Term Debt: 1. Mansfield Tire & Rubber Co. sinking fund debenture 4¾s, due 1973; Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Dec. 31, 1961, $4,300,000.

DATED—July 1, 1958.

MATURITY—July 1, 1973.

INTEREST—J&J1 at office of trustee.

TRUSTEE—First National Bank, Chicago.

DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and authorized multiples thereof. C & R interchangeable.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to each June 30 incl. as follows:

1962	103¾	1963	103¼	1964	102⅞
1965	102½	1966	102⅛	1967	101¾
1968	101⅝	1969	101	1970	100¾
1971	100½	1972	100¼	1973	100

However, no debentures may be redeemed prior to June 30, 1968 from proceeds of borrowing at interest cost to company of less than 4.90%.

Callable also on like notice for sinking fund (which see) at 100.

SINKING FUND—Annually, cash (or debentures) to retire $350,000 debentures each July 1, 1960-72 plus similar optional payments. Moneys not needed for redemptions may be used to redeem debentures at 100 or, if less than $25,000, to purchase debentures at public or private sale.

SECURITY—Not secured. Company may not merge with or sell substantially all property to, another corporation having obligations secured by mortgage if any assets owned by company prior thereto would become subject to the lien of such mortgage unless debentures are secured by direct prior lien on all such assets, other than existing liens thereon.

CREATION OF ADDITIONAL DEBT—Company may not create additional funded debt (except for refunding) unless thereafter, on consolidated basis, tangible assets less current liabilities are at least 250% of funded debt. Company or any subsidiary may not mortgage property unless debentures are equally and ratably secured, except for certain permitted encumbrances, including liens to secure loans for war or defense contracts or subcontracts; purchase money mortgages; pre-existing liens and renewals thereof.

Sale and Leaseback: Company and its subsidiaries may not sell and leaseback plants No. 1 and 2 at Mansfield, O.; in event, after July 1, 1958, sale and leaseback of any other plant is effected, fair value of such plant shall be included in determining funded debt and consolidated tangible assets except when annual net rentals thereunder are less than $100,000.

DIVIDEND RESTRICTIONS—See debenture 5s, 1974, below.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to redeem debenture 3¾s due 1966 and 6% preferred stock; for capital expenditures and other purposes.

OFFERED—($5,000,000) at 99¾ (proceeds to company, 97⅞) on June 25, 1958 by A. G. Becker & Co., Inc., Chicago, and associates.

PRICE RANGE—	1961	1960	1959	1958
High	95	97	99	99¾
Low	81	81	95	99¼

2. Mansfield Tire & Rubber Co. convertible subordinated debenture 5s, due 1974; Rating—Ba

AUTHORIZED—$5,038,300; outstanding, Dec. 31, 1961, $5,031,000.

DATED—June 1, 1959.

MATURITY—June 1, 1974.

INTEREST—J&D1 at office of trustee. Interest accrues from June 18, 1959.

TRUSTEE—Central National Bank, Cleveland.

DENOMINATION—Coupon, $100, $500, $1,000 and authorized multiples of $1,000; interchangeable; registerable as to principal.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to May 31 incl., as follows:

1963	103½	1964	103	1965	102½
1966	102	1967	101½	1968	101
1969	100½	1974	100		

Also callable on like notice at 100 for sinking fund (which see) beginning June 1, 1964.

SINKING FUND—Annually, cash (or debentures) to retire (1) on each June 1, 1964-68, 5% of debentures outstanding on Apr. 1, 1964, and (2) on each June 1, 1969-73, 10% of debentures outstanding on Apr. 1, 1964. Unexpended moneys may, at company's option, be used to redeem debentures at 100 or if less than $15,-000, for purchase of debentures. Payments will retire 75% of issue by maturity.

CONVERTIBLE—Into common on or before June 1, 1974 (if called, on or before 10th day prior to redemption date) at $21.33 per share ($46.88 shares per $1,000 debenture) with no adjustments for interest or dividends; cash paid for fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured; subordinated to prior payment of senior debt including debenture 4¾s due 1973 and other debt for borrowed money, unless expressly stated as not superior to convertible subordinated debentures.

SALES AND LEASE-BACKS—Indenture prohibits sale and lease-back by company or any subsidiary of all or substantial part of company's Plants No. 1 and 2 at Mansfield, O.; in event after June 1, 1959, any sale or leaseback of any other plant, fair value of plant shall be included in determination of funded debt and consolidated tangible assets, except during any period when aggregate annual net rentals are less than $100,000.

ADDITIONAL FUNDED DEBT—May not be created (except for refunding) unless thereafter on consolidated basis tangible assets less current liabilities equal at least 200% of funded debt. Company or any subsidiary may not mortgage property without equally and ratably securing debentures by such lien; excepted are liens to secure loans, war or defense contracts; purchase money mortgages; preexisting liens and renewals thereof.

DIVIDEND RESTRICTION—Company may not pay cash dividends or acquire (or permit any subsidiary to acquire) any stock in excess of consolidated net income after Dec. 31, 1958, plus $1,000,000 and net proceeds from sale after June 1, 1959, of stock or of debt converted into stock. At Dec. 31, 1961, $14,733,103 of earned surplus was so restricted.

RIGHTS ON DEFAULT—In event of default (30-day grace period for interest payment), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to repay short-term bank loans and for working capital.

OFFERED—($5,038,300) on June 4, 1959 for subscription by common stockholders at par on basis of $100 debenture for each 28 shares held. Rights expired June 18, 1959. A. G. Becker & Co., Inc., Chicago, headed underwriting group.

PRICE RANGE—	1961	1960	1959
High	99	99	103¼
Low	78	81	93

Other Debt: Outstanding, Dec. 31, 1961, $2,000,000 6% promissory notes payable $100,000 semi-annually to Dec. 15, 1967 with optional prepayments; also $263,344 miscellaneous obligations.

Capital Stock: 1. Mansfield Tire & Rubber Co. common; par $2.50:

AUTHORIZED—2,500,000 shares; outstanding, Dec. 31, 1961, 1,526,526 shares, to be issued for acquisitions, 100,000 shares; reserved for debenture conversions, 225,641 shares; for options, 40,800 shares; par $2.50.

Par changed from no par to $5 in March, 1952, by 3-for-1 split; from $5 to $2.50 May 29, 1959 by 2-for-1 split.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

DIVIDEND RECORD—

On no par shares:					
1938	$1.00	1939	$1.40	1940	$2.33
1941	1.00	1942	1.50	1943-45	1.00
1946-47	2.00	1948	1.50	1949	1.50
1950	2.00				
On $5 par shares:					
1952	1.60	1953	1.20	1954	1.13
1955	1.13	1956-57	1.20	1958	1.25½
1959	0.67½				
On $2.50 par shares:					
1959	0.40	1960	0.70	1961	0.80

[1]Also 2% in stock.

DIVIDEND RESTRICTIONS—See funded debt above.

LISTED—On American Stock Exchange.

OFFERED—(47,615 common shares) at $15.38 per share May 17, 1959 by Otis & Co. (Inc.), Cleveland. Of current offering, proceeds from sale of 13,800 unissued shares were applied toward adding to plant facilities and for additional working capital; proceeds from sale of 33,815 shares accrued to shareholders.

(200,000 shares) at $15 per share on May 1, 1953, by A. G. Becker & Co., Inc., Chicago, and associates. Offering did not represent company financing the shares having been sold by General Tire & Rubber Co.

PRICE RANGE—	1961	1960	1959	1958	1957
High	13	13¼	22⅝	33⅛	15⅛
Low	8	7	15⅜	13¼	12½

[1]After stock split before. 49-29½.

Transfer and Dividend Disbursing Agents: Central National Bank, Cleveland, O.; Chase Manhattan Bank, New York, Co-Transfer Agent.

Registrars: National City Bank of Cleveland, Cleveland, O. and Manufacturers Hanover Trust Co., New York.

Subscription Rights: Common stockholders of record June 21, 1958 had right to subscribe at par to $2,511,100 5% convertible subordinated debentures due July 1, 1973, on basis of $100 debentures for each 22 common shares held. Rights expired July 10, 1958. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Common stockholders of record June 1, 1959 had right to subscribe to $5,038,300 6% convertible subordinated debenture 5s, due 1974, at par on basis of $100 debentures for each 5 shares held. Rights expired June 18, 1959. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Stock Options held by certain officers and key employees at Dec. 31, 1961 on 22,[illegible] shares at $13 per share expire June 30, 1964.

2006A
Mansfield 1963

MANSFIELD TIRE & RUBBER CO.

History: Incorporated in Ohio, Feb. 10, 1912.

In 1961, Inland Rubber Corp. (Ohio), a wholly-owned subsidiary, acquired a 50% interest in Pacific Tire & Rubber Co. with plant at Oakland, Cal., now operated under lease by parent company, which acquired remaining 50% in 1960.

In 1951, Inland Rubber Corp. also acquired 50% interest in Southeastern Rubber Mfg. Co. Inc. (Ga.) (sold to parent in 1957), which manufactures tread rubber at Athens, Ga.

In May, 1953, General Tire & Rubber Co. (see general index) disposed of 43% stock interest in company's common stock.

In 1961, acquired Abel Corp., Columbus, O. for 200,000 shares and 20% interest in Madras (India) Rubber Factory Ltd.

In Jan., 1962, acquired Minute Man Enterprises, Inc. and New York Minutemen, Inc. (Mass.) for 50,000 shares.

Business: Manufacture tires and tubes, primarily for replacement use, for passenger cars, buses, trucks and farm implements; also manufactures tread rubber and miscellaneous tire and accessory items. Products sold under trade names Mansfield, Inland, Abel, Pharis and Pennsylvania.

Property: Main plants, containing 977,000 sq. ft. of floor space, are located on 18-acre site, owned in fee, and 5 acres, leased, at Mansfield, O. Company leases plant and warehouse space at Oakland, Cal., owned by Pacific Tire & Rubber Co. Company leases warehouse containing 62,000 sq. ft. in Oakland, Cal.

Company owns plant in Capistrano Beach, Cal., containing 40,000 sq. ft. for manufacture of mechanical rubber goods.

Inland Rubber Corp., wholly-owned, leases warehouse in Athens, Ga.

Southeastern Rubber Manufacturing Co. has tread rubber plant at Athens, Ga.

Pennsylvania Tire Co., a subsidiary, leases warehouses and office space in Atlanta, Oakland, Kansas City, Mo. and Clinton Ia. and owns such facilities at New Village, N. J.; warehouse space in Los Angeles, Lowell, Mass. and Portland, Ore.; and office space in Mansfield, O., and operates tread rubber plants in Clinton, Ia. and Paris Tex. Pennsylvania Tire & Rubber Co. of Mississippi, Inc., a subsidiary, operates 125,400 sq. ft. leased tire plant at Tupelo, Miss.

Mansfield Rubber (Canada) Ltd. (50% owned) operates 120,000 sq. ft. tire plant on 50 acres in Barrie, Ont.

Subsidiaries (wholly-owned): Inland Rubber Corp. Richland Rubber Co., Pharis Tire & Rubber Co., Century Tire & Rubber Co., Globe Rubber Co., Olympia Rubber Co., United Tire & Rubber Co., Pennsylvania Tire Co., Manufacturers Production Corp., all Ohio corporations, Pennsylvania Tire Acceptance Corp., Pennsylvania Tire & Rubber Co. of Miss., Inc., Clinton Sites Corp., Pacific Tire & Rubber Co., Abel Corp., Minuteman Corp.

Affiliates: Company has one-seventh interest in Copolymer Rubber & Chemical Corp. which operates synthetic rubber and butadiene plant in Baton Rouge, La. and 50% interests in Mansfield Rubber (Canada), Ltd., Barrie, Ont. Southeastern Rubber Manufacturing Co., Inc. (Ga.) and Barrie Rubber Realty Ltd., Barrie, Ont.

Inland Rubber Corp. has a 50% stock interest in Pacific Tire & Rubber Co. (Cal.).

Company has 20% in Madras Rubber Factory Ltd., Madras, India.

Officers: J. H. Hoffman, Pres.; E. E. Stevens, J. M. Slattery, E. V. Duffy, Vice-Pres.; E. P. Stephens, Sec.; C. L. Pollock, Treas.; W. J. Epley, Asst. Treas.; W. M. Kochheiser, Asst. Sec.

Directors: J. H. Hoffman, J. M. Slattery, E. P. Stephens, E. E. Stevens, Boyd Weaver, J. J. Levin, R. J. Abel.

Auditors: Arthur Young & Co.

Annual Meeting: Last Wednesday in April.

No. of Stockholders: Dec. 31, 1962, 4,537.

No. of Employees: Dec. 31, 1962, 3,662.

Office: 515 Newman St., Mansfield, O.

Consolidated Income Account, years ended Dec. 31:

	(1)1962	(1)1961
Net sales	$70,334,934	$[illegible]
Cost of sales	[illegible]	[illegible]
Selling, etc., exp.	[illegible]	[illegible]
(2)Operating profit	1,714,271	[illegible]
Other income	[illegible]	[illegible]
Total income	[illegible]	[illegible]
Interest	$47,913	[illegible]
Fed. income tax	[illegible]	[illegible]
Def. income tax	[illegible]	[illegible]
Net income	[illegible]	[illegible]
Earn. surp., 1-1	(3)$16,214,737	[illegible]
Com. divs. (cash)	[illegible]	[illegible]
Earn. surp., 12-31	(3)$17,315,595	[illegible]
(4)Times int. earn.	[illegible]	[illegible]
Earn., com. share	$0.60	[illegible]
(5)No. of com. shs.	[illegible]	[illegible]

(1) Aft. $1,901,833 (1961, $2,047,800) deprec. (2) Incl. $13,248,876 restricted. (3) Def. inc. tax. (4) Incl. Minute Man Enterprises Inc., and N. Y. Minutemen, Inc., acq. Jan., 1962 as "pool int." (5) Excl. 78,750 (1961, 100,000), shs. to be issued. (6) Incl. Abel Corp., acq. July 31, 1961, "pool int." (7) Incl. $321,[illegible] non-recur. gain assets sold. (8) Incl. $94,[illegible] acq. from Minutemen Cos.

Note: Equity undistrib. net inc. assoc. cos., yr. to Dec. 31, 1962, $274,485 ($0.18 a sh.); 1961, $451,748 ($0.30 a sh.).

Sales and Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Income	No. of Shares	Earn. on Com.
1960	61,957,770	705,208	1,428,526	0.49
1959	68,950,072	2,282,477	(1)1,410,963	1.62
1958	63,634,322	2,210,568	603,049	3.71
1957	59,722,211	1,522,957	552,504	2.50
1956	61,557,595	1,376,683	552,504	2.23
1955	74,555,639	1,768,203	552,504	3.00
1954	50,378,302	890,485	552,504	1.61
1953	59,074,904	927,008	552,504	1.69
1952	55,551,843	1,330,099	552,504	2.41
1951	66,831,583	2,107,414	183,422	11.28

(1) Reflects 2-for-1 split, and excl. 27,[illegible] stk. div. shs. pd. Jan. 20, 1960.

Note: Equity undistrib. net inc. assoc. cos. year Dec. 31, 1960, $477,613 (1959, $743,676; 1958, $637,671). $0.33 (1959, $0.53; 1958, $1.06) per com. sh.

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1959, 1.59; 1958, 1.82; 1957, 1.23; 1956, 1.09; 1955, 1.47; 1954, 0.79; 1953, 0.83; 1952, 1.18; 1951, 3.72.

Shares: 1959, 1,439,182; 1958, 1,220,270; 1957-52, 1,127,108; 1951, 561,271.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1962	1961
Cash	$2,034,176	$2,207,104
Receivables, Net	13,480,933	11,550,217
(1)Inventories	16,592,900	14,933,516
Prepayments	778,370	668,249
Total current	$32,886,379	$29,358,086
(2)Net property	15,326,832	14,349,866
Trademarks	404,313	404,445
Inv. in assoc. cos.	925,319	1,057,189
Other investment	411,912	275,699
Non-curr. receiv.	[illegible]	493,956
Deferred charges	778,059	749,159
Total	$48,782,814	$46,688,400
Liabilities:		
Notes payable	$4,000,000	$5,165,000
Accts. pay., etc.	6,848,527	5,102,483
Debt due	569,227	519,266
Fed. inc. tax res.	321,237	149,483
Other taxes pay.	1,635,779	1,260,884
Total current	$14,444,760	$13,193,096
Notes payable	1,400,000	1,600,000
Deb. 4½s, 1973	3,600,000	3,950,000
Deb. 5s, 1974	5,031,000	5,031,000
Oth. lg. tm. debt	183,563	203,348
Def. Fed. inc. tax	1,124,[illegible]	1,117,811
(3)Com. stk. ($2.50)	4,017,514	4,006,314
Capital surplus	(4)1,[illegible]	2,076,565
Earned surplus	17,315,595	16,450,269
Total	$48,722,811	$46,688,400
Net current assets	$18,441,619	$17,164,990
(5)Net tg. com. sh.	$11.04	$13.64
(6)Depreciation	$14,[illegible]	$13,[illegible]

(1) Lower cost or mkt., inc. $5,143,338 (1961, $2,[illegible] 651,253) (life). (2) Incl. 78,750 (1961, 100,000) shs. to be iss. (3) After deduct. $113,000 on acq. and $327,899 com. stk. purch. prem.

Long Term Debt: 1. Mansfield Tire & Rubber Co. sinking fund debenture 4½s, due 1973; Rating—Ba

AUTHORIZED—$5,000,000; outstanding, Dec. 31, 1962, $3,950,000.

DATED—July 1, 1953.

MATURITY—July 1, 1973.

INTEREST—J&J1 at office of trustee.

TRUSTEE—First National Bank, Chicago.

DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and authorized multiples thereof. C & R interchangeable.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to each June 30 incl. as follows:

1961	103½	1965	103⅛	1969	102⅝
1962	103⅜	1966	102⅞	1970	102¼
1963	103¼	1967	102⅝	1971	101¾
1964	103⅛	1968	102⅜	1972	101¼

However, no debentures may be redeemed prior to June 30, 1964 from proceeds of borrowing at interest cost to company of less than [illegible]%.

Callable also on like notice for sinking fund (which see) at 100.

SINKING FUND—Annually, cash (or debentures to retire $350,000 debentures each July 1, 1963-72 plus similar optional payments. Moneys not needed for redemptions may be used to redeem debentures at 100 or, if less than $[illegible], to purchase debentures at public or private sale.

SECURITY—Not secured. Company may not merge with or sell substantially all property to another corporation having obligations secured by mortgage if any assets owned by company prior thereto would become subject to the lien of such mortgage unless debentures are secured by direct prior lien on all such assets, other than existing liens thereon.

CREATION OF ADDITIONAL DEBT—Company may not create additional funded debt (except for refunding) unless thereafter, on consolidated basis, tangible assets less current liabilities are at least 250% of funded debt. Company or any subsidiary may not mortgage property unless debentures are equally and ratably secured, except for certain permitted encumbrances, including liens to secure loans for war or defense contracts or subcontracts; purchase money mortgages; pre-existing liens and renewals thereof.

Sale and Leaseback: Company and its subsidiaries may not sell and leaseback plants No. 1 and 2 at Mansfield, O.; in event, after July 1, 1958, sale and leaseback of any other plant is effected, fair value of such plant shall be included in determining funded debt and consolidated tangible assets except when annual net rentals thereunder are less than $100,000.

DIVIDEND RESTRICTIONS—See debenture 5s, 1974, below.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to redeem debenture 3½s due 1966 and 6% preferred stock; for capital expenditures and other purposes.

OFFERED—($5,000,000) at 99¾% (proceeds to company, 97%) on June 25, 1958 by A. G. Becker & Co., Inc., Chicago, and associates.

PRICE RANGE—	1962	1961	1960	1959	1958
High	97	95	97	99	99¾
Low	93	81	81	95	99¼

2. Mansfield Tire & Rubber Co. convertible subordinated debenture 5s, due 1974; Rating—Ba

AUTHORIZED—$5,038,300; outstanding, Dec. 31, 1962, $3,031,000.

DATED—June 1, 1959.

MATURITY—June 1, 1974.

INTEREST—J&D1 at office of trustee. Interest accrues from June 18, 1959.

TRUSTEE—Central National Bank, Cleveland.

DENOMINATION—Coupon, $100, $500, $1,000 and authorized multiples of $1,000; interchangeable; registerable as to principal.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to May 31 incl., as follows:

1963	103½	1964	103	1965	103½
1966	102	1967	101½	1968	101
1969	100½	1974	100		

Also callable on like notice at 100 for sinking fund (which see) beginning June 1, 1964.

SINKING FUND—Annually, cash (or debentures) to retire (1) on each June 1, 1964-68, 3% of debentures outstanding on Apr. 1, 1954, and (2) on each June 1, 1969-73, 10% of debentures outstanding on Apr. 1, 1964. Unexpended moneys may, at company's option, be used to redeem debentures at 100, or if less than $15,000, for purchase of debentures. Payments will retire 73% of issue by maturity.

CONVERTIBLE—Into common on or before June 1, 1974 (if called, on or before 15th day prior to redemption date) at $21.33 per share ($46.88 shares per $1,000 debenture), with no adjustments for interest or dividends; cash paid for fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured; subordinated to prior payment of senior debt, including debenture 4½s due 1973 and other debt for borrowed money, unless expressly stated as not superior to convertible subordinated debentures.

SALES AND LEASE-BACKS—Indenture prohibits sale and lease-back by company or any subsidiary of all or substantial part of company's Plants No. 1 and 2 at Mansfield, O.; in event after June 1, 1959, any sale or lease-back of any other plant, fair value of plant shall be included in determination of funded debt and consolidated tangible assets, except during any period when aggregate annual net rentals are less than $100,000.

ADDITIONAL FUNDED DEBT—May not be created (except for refunding) unless thereafter on consolidated basis tangible assets less current liabilities equal at least 200% of funded debt. Company or any subsidiary may not mortgage property without equally and ratably securing debentures by such lien; excepted are liens to secure loans, war or defense contracts; purchase money mortgages; preexisting liens and renewals thereof.

DIVIDEND RESTRICTION—Company may not pay cash dividends or acquire (or permit any subsidiary to acquire) any stock in excess of consolidated net income after Dec. 31, 1963, plus $1,000,000 and net proceeds from sale after June 1, 1959, of stock or of debt converted into stock. At Dec. 31, 1961, $14,733,103 of earned surplus was so restricted.

RIGHTS ON DEFAULT—In event of default (30-day grace period for interest payment), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to repay short-term bank loans and for working capital.

OFFERED—($5,038,300) on June 4, 1957 for subscription by common stockholders at par on basis of $100 debentures for each 20 shares held. Rights expired June 18, 1957. A. G. Becker & Co., Inc., Chicago, headed underwriting group.

PRICE RANGE—	1962	1961	1960	1959
High	100	99	99	103¾
Low	97	95	81	99

Other Debt: Outstanding, Dec. 31, 1962, $1,600,000 6% promissory notes payable $100,000 semi-annually to Dec. 15, 1970 with optional prepayments; also $203,316 miscellaneous obligations.

Capital Stock: 1. Mansfield Tire & Rubber Co. common; par $2.50:

AUTHORIZED—2,500,000 shares; outstanding, Dec. 31, 1962, 1,547,776 shares; to be issued for acquisitions, 100,000 shares; reserved for debenture conversions, 235,884 shares; for options, 40,000 shares; par $2.50.

Par changed from no par to $5 in March, 1952, by 3-for-1 split; from $5 to $2.50 May 29, 1959 by 2-for-1 split.

VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.

PREEMPTIVE RIGHTS — Has preemptive rights.

DIVIDEND RECORD—

On no par shares:					
1928	$1.00	1939	$1.40	1950	$2.35
1941	1.00	1942-43	1.50	1944-45	1.90
1946-47	2.00	1948	1.50	1949	0.70
1950	2.00				
On $5 par shares:					
1952	1.60	1953	1.20	1954	1.15
1955	1.05	1956-57	1.30	1958	1.20½
1959	0.67½				
On $2.50 par shares:					
1959	0.40	[1]1960	0.70	1961-62	0.10

[1]Also 2% in stock

DIVIDEND RESTRICTIONS—See funded debt above.

LISTED—On American Stock Exchange.

OFFERED—(47,615 common shares) at $15.50 per share May 17, 1939 by Otis & Co. (Inc.), Cleveland. Of current offering, proceeds from sale of 13,800 unissued shares were applied toward adding to plant facilities and for additional working capital; proceeds from sale of 33,815 shares accrued to shareholders.

(200,000 shares) at $15 per share on May 5, 1943, by A. G. Becker & Co., Inc., Chicago, and associates. Offering did not represent company financing, the shares having been sold by General Tire & Rubber Co.

PRICE RANGE—	1962	1961	1960	1959	1958
High	10⅝	13	19¾	22⅜	33⅞
Low	6¾	8	7	15⅛	15⅛

[1]After stock split; before, 19-29½.

Transfer and Dividend Disbursing Agents: Central National Bank, Cleveland, O.; Chase Manhattan Bank, New York, Co-Transfer Agent.

Registrars: National City Bank of Cleveland, Cleveland, O. and Manufacturers Hanover Trust Co., New York.

Subscription Rights: Common stockholders of record June 24, 1954, had right to subscribe at par to $2,511,400 5% convertible subordinated debentures, due July 1, 1973, on basis of $100 debentures for each 22 common shares held. Rights expired July 19, 1954. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Common stockholders of record June 2, 1959, had right to subscribe to $5,033,200 convertible subordinated debenture 5s, due 1974, at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

Stock Options held by certain officers and key employees at Dec. 31, 1962 on 21,550 shares at $13 per share expire June 30, 1964.

MARADEL PRODUCTS, INC.

History: Incorporated in Delaware Oct. 25, 1961. In Dec. 1961, acquired for 31,200,000 substantially all assets of The Theon Co., Inc. and for $250,000 entire stock of its affiliate, The Theon Co., Ltd.

In 1962, acquired substantially all business and assets of (1) M. Pier Co., Inc., and subsidiaries for $3,750,000; (2) Wayal-Thermal Co. and Beaute Vues Corp. for 32,279,284 and (3) Sally Hanan, Inc. for $1,250,000. Also acquired Compstone Co. Ltd.; and in 1963 Commerce Drug Co., Inc. and House of Tre-Jur, Inc.

Business: Manufacturers cosmetics; hair, bath and dental preparations; proprietary drugs and sundries.

Property: Leases 20,000 sq. ft. of space in New York for offices and manufacturing operations; owns 27,700 sq. ft. factory and warehouse building in Crystal Lake, Ill; 30,000 sq. ft. plant in Burbank, Cal. and 15,000 sq. ft. in Hollywood, Cal. for distribution, warehousing and sales headquarters.

Subsidiaries (wholly-owned): Compton Co., Ltd.; Cry-Lake Realty Corp.; Hair Preparations Ltd. (Canada); Maradel International, Inc.; Merchandising Aids, Inc.; Pup Corn Brands, Inc.; Theon Co. Ltd. (Canada).

Directors: G. J. Abrams, Chmn. and Pres.; Melvin Birnbaum, Exec. Vice-Pres.; G. C. Kirk, Senior Vice-Pres.; A. H. Kupersmith, Senior Vice-Pres., Sec. and Treas.; David Grahm; M. J. Hamilburg; W. G. Mulligan.

Other Officers: T. I. Jaeger, S. V. Heath, Vice-Pres.

Auditors: Alexander Grant & Co.

Annual Meeting: Fourth Thursday in Apr.

No. of Stockholders: Dec. 31, 1962, 2,200.

No. of Employees: Dec. 31, 1962, 300.

Office: 510 Ave. of Americas, New York 11.

[1]Pro-Forma Combined Income Account, year ended Dec. 31, 1962 (from SEC report):

	Incl. 1963 Acquis.	Incl. 1962 Acquis.
Net sales	$14,017,901	$7,081,723
Net before taxes	2,078,540	1,245,065
Add:		
Royalty inc. rec'd.	5,226	5,226
Acquis loan int.	53,343	50,343
[2]Exp. of acq. cos.	122,693	87,693
Exec comens. adj.	114,000	----------
Deduct:		
Addit. int. req. on 15 yr. nts.	228,023	110,523
Income taxes	1,026,053	626,626
P. f. net inc.	1,122,724	668,178
Earn., com. share	$1.22	$0.99
No. of com. shares	921,500	666,000

[1]Related to sales of businesses. [2]Incl. predecessor business & constituent cos. acq. in 1962 & opers. of Commerce Drug Co. (for yr. to Dec. 31) Inc. and House of Tre-Jur, Inc. (for 7 mos. to Dec. 31) acq. in 1963.

Combined Sales and Earnings, years ended Dec. 31 (in 3—from SEC report):

	Net Sales	Net Income	No. of Com. Shs.	Earn. Com. Sh.
1962	9,081,722	650,438	666,000	0.99
1961	8,107,181	611,325	------	[1]0.92

[1]On 666,000 shs.

Consolidated Balance Sheet, as of Dec. 31, 1962 (SEC report):

Assets:	[1]Pro-Forma	Actual
Cash	$3,709,527	$637,835
Mkt. secur., cost	47,050	47,050
Receivables, net	2,031,378	1,442,847
Inventories	1,501,242	1,049,849
Prepayments	175,213	136,848
Total current	$7,463,570	$3,334,429
Net property	1,060,635	1,022,404
Investment	29,338	29,338
Goodwill, etc.	10,779,648	6,737,158
Def. charges, etc.	112,994	96,949
Total	$19,446,273	$11,286,738
Liabilities:		
Loans payable	$100,000	$100,000
Contract payable	100,000	----------
Accounts payable	791,198	620,352
Income taxes	616,426	308,611
Accruals	608,717	394,244
Total current	$2,216,331	$1,423,207
Loans payable	5,125,000	3,125,000
Oth. non-curr. liab.	23,053	23,053
Common stk. ($1)	921,500	666,000
Capital surplus	10,893,324	5,782,413
Retained earnings	267,065	267,065
Total	$19,446,273	$11,286,738
Net current assets	$5,247,239	$1,911,252

[1]Giving effect to acquis. of Commerce Drug Co., Inc. & House of Tre-Jur, Inc., proposed sale of 150,000 com. shs. at est. $23.375 net per sh., issuance of $2,000,000 notes & related transactions.

Term Loans: Outstanding, Apr. 30, 1963, $5,225,000, as follows:

$3,225,000 5¾% notes due Aug. 1, 1977, comprising one note for $1,725,000 and one convertible note for $1,500,000, payable $100,000 and $150,000 annually beginning Aug. 1, 1963 and Aug. 1, 1968 respectively, with final payment of $325,000 at maturity; convertible note being convertible into common at $14.30 a share in first 5 years; $15.60 in next 5 years and $16.90 during balance of term.

$2,000,000 5¾% notes due Jan. 1, 1978, comprising one note for $1,000,000 and one convertible note for $1,000,000, payable $64,000 and $96,000 annually beginning Jan. 1, 1964 and Jan. 1, 1969 respectively, with final payments of $104,000 and $136,000 due at maturity of the note and convertible notes respectively; convertible note being convertible into common at $18.70 in first 5 years, $20.40 in next 5 years and $22.10 during balance of term.

Proceeds for acquisitions and working capital.

Company may not, on consolidated basis, pay cash dividends on or after Jan. 1, 1963 or acquire stock in excess of 70% of consolidated net income after Dec. 31, 1962 less such payments on any stock after that date plus excess of expenditures for stock acquired over total amount received, after initial public sale of stock, as proceeds of stock sold. Company agrees not to permit consolidated working capital to decline below $1,500,000 prior to June 30, 1963 and $2,500,000 thereafter.

Capital Stock: Maradel Products Inc., common; par $1: Authorized, 2,000,000 shs.; outstanding, 666,000 shs.; reserved for options, 76,800 shs.

Officers and directors own 174,219 shares (23%).

No dividends paid.

Has one vote per sh. No preemptive rights.

Transfer Agent: Manufacturers Hanover Trust Co., New York.

Registrar: Chemical Bank New York Trust Co., New York.

Offered: (283,000 shares) at $13 a share (proceeds to company, $12 a share) on July 25, 1962 by Hornblower & Weeks, New York, and associates. Of the offering, 76,000 shares were reserved for certain persons designated by company.

Price Range: 1962, 17¾-11¼.

Stock Options held by officers Dec. 31, 1962 on 76,800 shs. at $13.00, $14.19 & $14.30 a sh., expire Oct. 24, 1972.

MARKITE CORP.

History: Incorporated in New Jersey in July, 1953. Business established in 1948.

Business: Makes precision electromechanical devices, principally conductive plastic potentiometers and subassemblies in which potentiometers are combined with other devices; also produces instrumentation switches.

Property: Leases 42,000 sq. ft. of factory space in New York and 12,000 sq. ft. building in Ramsey, N. J.

Directors: M. A. Coler, Pres. and Treas.; J. C. Kalbach, Vice-Pres. and Sec.; H. A. Gottschall, A. S. Louis, Vice-Pres.

Auditors: Price Waterhouse & Co.

Annual Meeting: First Day in May.

No. of Stockholders: Feb. 15, 1962, 400.

No. of Employees: Dec. 31, 1962, 230.

Office: 155 Waverly Place, New York, N. Y.

Unfilled Orders:	Feb. 24,'63	Feb. 25,'62
Amount	$2,220,000	$2,440,000

Sales and Earnings, 52 weeks to (in $):

	Net Sales	Net Profit	No. of Com. Shs.	Earn. Com. Sh.
2-24-63	6,243,773	603,224	475,000	1.27
2-23-62	5,026,716	513,455	500,000	1.03

Balance Sheet:

Assets:	Feb. 24,'63	Feb. 25,'62
Cash	$127,419	$732,026
Sht.-tm. invest.	1,031,137	500,445
Receivables	1,100,130	788,152
[1]Inventories	698,363	591,230
Prepayments, etc.	6,017	6,370
Total current	$2,963,066	$2,618,223
Fixed assets, net	370,768	225,912
Total	$3,333,834	$2,844,145
Liabilities:		
Accts. pay., etc.	$680,771	$581,036
[2]Income taxes	152,530	138,980
Total current	$833,301	$700,036
Com. stock ($0.25)	125,000	125,000
Capital surplus	1,318,694	1,318,694
Retained earnings	1,303,739	700,415
Total	2,747,433	2,144,109
Reacq. stock	[3]246,900	----------
Net stk. & surp.	2,500,533	2,144,109
Total	$3,333,834	$2,844,145
Net current assets	$2,129,765	$1,918,187
Net tang. com. sh.	$5.26	$4.29

[1]Lower cost or mkt. [2]Aft. deduct. $422,800 (1962, $540,000) U. S. Treas. bills. [3]25,000 shs. at cost.

Capital Stock: Markite Corp. common; par 25 cents. Authorized, 1,000,000 shs.; outstanding, 475,000 shs.; in treasury, 25,000 shs.; reserved for options, 25,000 shs.

M. A. Coler, president, owns 316,000 shs. (63.2%).

No dividends paid.

Has one vote per sh. No preemptive rights.

Transfer Agent: Meadow Brook National Bank, Jamaica, N. Y.

Registrar: Chase Manhattan Bank, New York.

Offered (100,000 shares) at $15 a share on Feb. 1, 1962 by C. E. Unterberg, Towbin Co., New York, and associates.

Price Range: 1962, 17½-8⅜.

MARQUETTE CORP.

History: Incorporated in Delaware Jan. 4, 1960 as Marquette Appliances, Inc.; present name adopted Mar. 1, 1960 on merger of Miles, Inc. and Marquette Manufacturing Co., Inc.

In 1961, acquired Heyer Industries, Inc., Belleville, N. J., for $209,878 cash and 34,000 shares and Regent Equipment Mfg. Co. Ltd. (now Marquette Equipment Canada Ltd.), Toronto, Can., for 13,000 shares.

Business: Company is engaged in distribution of freezers, refrigerators, washing machines and dryers; also manufactures and sells welding and battery service equipment, and automotive tune-up equipment.

Property: Company owns 3 plants in Minneapolis, with total floor space of 103,700 sq. ft.; plant (55,200 sq. ft.) and warehouse (27,500 sq. ft.) in Duluth and 6,000 sq. ft. warehouse in Dallas. Office (25,000 sq. ft.) in Minneapolis and warehouses in 3 cities, averaging 8,650 sq. ft. of floor space each, are leased.

Also has plants in Bangor, Pa., and Rexdale, Ont., Can.

Officers: H. J. Lange, Chmn.; G. E. Seidel, Pres.; C. M. Akins, M. H. Potter, W. E. Hartwell, Exec. Vice-Pres.; R. B. Niles, Senior Vice-Pres.; S. J. Gravelle, O. H. Hansen, Vice-Pres.; R. I. Lange, Vice-Pres. and Treas.; H. S. Petersen, Sec.; A. E. Fonfarn, Asst. Treas.

Directors: H. J. Lange, R. B. Niles, C. M. Akins, S. J. Gravelle, G. E. Seidel, H. S. Petersen, R. I. Lange, M. H. Potter, W. E. Hartwell, C. P. Jaffray, D. L. Robertson.

Auditors: Touche, Ross, Bailey & Smart.

No. of Stockholders: Dec. 31, 1960, 1,953.

No. of Employees: Mar. 1, 1960, 530.

Office: 307 E. Hennepin Ave., Minneapolis 14.

Consolidated Income Account, years ended Dec. 31:

	1962	[1]1961
Net sales	$31,798,037	$30,750,377
Other income	181,799	94,409

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equal to 50% of sum of consolidated net income plus depreciation in excess of $1,200,000 earned in preceding fiscal year.

Co. may not pay cash dividends in excess of earnings after Dec. 31, 1963 plus $250,000 or purchase or otherwise acquire its outstanding shares, or make any other distribution of its assets to stockholders other than stock dividends; also agrees to maintain consolidated net working capital of at least $2,500,000.

Capital Stock: Lunkenheimer Co. common; par 10 cents:
AUTH.—300,000 shs.; outstg., 270,000 shs.; par 10 cents.
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
DIVIDEND RESTRICTION—See term loan.
TRANSFER AGENT—Central Trust Co., Cincinnati.
REGISTRAR—Fifth Third Union Trust Co., Cincinnati.
OFFERED—(330,000 shs.) at $21 a sh. (proceeds to Co., $19.32 a sh.) on Jan. 30, 1961 by White, Weld & Co., NYC; Schneider, Bernet & Hickman, Inc., Dallas and associates.

MANSFIELD TIRE & RUBBER CO.

History: Incorporated in Ohio Feb 10, 1912. In 1951, Inland Rubber Corp. (Ohio), a wholly-owned ausidiary, acquired a 50% interest in Pacific Tire & Rubber Co. with plant at Oakland, Cal., now operated under lease by parent company, which acquired remaining 50% in 1960.

In 1951, Inland Rubber Corp. also acquired 50% interest in Southeastern Rubber Mfg. Co. Inc. (Ga.) (sold to parent in 1957), which manufactures tread rubber at Athens, Ga. and Paris, Tex.

In May, 1953, General Tire & Rubber Co. (see general index) disposed of 43% stock interest in company's common stock.

In 1961, acquired Abel Corp., Columbus, O. for 200,000 shares and 20% interest in Madras (India) Rubber Factory Ltd.

In Jan., 1962, acquired Minute Man Enterprises, Inc. and New York Minutemen, Inc. (Mass.) for 50,000 shares.

Business: Manufacture tires and tubes, primarily for replacement use, for passenger cars, buses, trucks and farm implements; also manufactures tread rubber and miscellaneous tire and accessory items. Products sold under trade names Mansfield, Inland, Abel, Pharis and Pennsylvania.

Property: Main plants, containing 977,000 sq. ft. of floor space, are located on 26.6 acre site, owned in fee, at Mansfield, O. Company leases plant and warehouse space at Oakland, Cal., owned by Pacific Tire & Rubber Co. Company leases warehouse containing 62,000 sq. ft. in Oakland, Cal.

Company owns plant in Capistrano Beach, Cal., containing 40,000 sq. ft. for manufacture of mechanical rubber goods.

Southeastern Rubber Manufacturing Co. has tread rubber plant at Athens, Ga. and Paris, Tex.

Pennsylvania Tire Co., a subsidiary, leases warehouses and office space in Atlanta, Los Angeles, Kansas City, Mo. and Clinton Ia. and owns such facilities at New Village, N. J.; Lowell, Mass. and Portland, Ore.; and office space in Des Plaines, Ill. and Mansfield, O., and operates tread rubber plants in Clinton, Ia. and Pennsylvania Tire & Rubber Co. of Mississippi, Inc., a subsidiary, operates 100,000 sq. ft. leased tire plant at Tupelo, Miss.

Mansfield Rubber (Canada) Ltd. (50% owned) operates 133,000 sq. ft. tire plant on 30 acres in Barrie, Ont.

[illegible] (wholly-owned): Inland Rubber Co., Richland Rubber Co., Pharis Tire & Rubber Co., Century Tire & Rubber Co., Globe Tire & Rubber Co., Olympia Rubber Co., United States Rubber Co., Pennsylvania Tire Co., Manufacturers Production Corp., Inland Tire Sales Corp., Mansfield Tire Services, Inc., all Ohio corporations; Pennsylvania Tire Acceptance Corp., Pennsylvania Tire & Rubber Co. of [illegible] Inc., Clinton 31st Corp., Pacific Tire & Rubber Co., Abel Corp., Minuteman Corp.

Affiliates: Company has one-sixth interest in Copolymer Rubber & Chemical Corp. which operates synthetic rubber and butadiene plant in Baton Rouge, La. and 50% interests in Mansfield Rubber (Canada), Ltd., Barrie, Ont. Southeastern Rubber Manufacturing Co., Inc. (Ga.).

Inland Rubber Corp. has a 50% stock interest in Pacific Tire & Rubber Co. (Cal.).

Company has 20% in Madras Rubber Factory Ltd., Madras, India.

Officers: J. H. Hoffman, Pres.; E. E. Stevens, J. M. Slattery, E. V. Duffy, Vice-Pres.; W. M. Kochheiser, Sec.; C. L. Pollock, Treas.; W. J. Epley, Asst. Treas.

Directors: J. H. Hoffman, J. M. Slattery, E. P. Stephens, E. E. Stevens, Boyd Weaver, J. J. Levin, R. J. Abel.

Auditors: Arthur Young & Co.

Annual Meeting: Last Wednesday in April.

No. of Stockholders: Mar. 23, 1964, 4,240.

No. of Employees: Mar. 31, 1963, 3,079.

Office: 513 Newman St., Mansfield, O.

Consolidated Income Account, years ended Dec. 31:

	1963	1962
Net sales	$74,216,400	$70,331,834
Cost of sales	52,822,491	52,371,279
Selling, etc., exp.	20,092,729	16,245,244
Operating profit	1,521,180	1,714,271
Other income	827,012	607,228
Total income	2,348,193	2,321,499
Interest	826,650	847,913
Fed. income tax	550,943	542,117
Def. income tax	303,057	6,583
Net income	971,542	924,586
Earn. surp., 1-1	17,315,595	[1]6,541,757
Com. divs. (cash)	154,778	153,748
Earn. surp., 12-31	[2]18,132,359	17,315,595
Times int. earn.	3.20	2.74
Earn., com. share	$0.63	$0.60
Cash flow, com. sh.	1.84	1.85
No. of com. shares	1,547,776	[3]1,528,376

[1]Aft. $1,567,157 (1962, $1,901,555) deprec. [2]Incl. $15,796,003 restricted. [3]Bef. inc. tax. [4]Incl. Minute Man Enterprises, Inc. and N. Y. Minutemen, Inc., acq. Jan., 1962 as "pool. int." [5]Excl 78,750 shs. to be issued. [6]Incl. $94,438 acq. from Minutemen cos.

Note: Equity undistrib. net inc. assoc. cos., yr. to Dec. 31, 1963, $193,542 ($0.22 a sh.); 1962, $274,445 ($0.18 a sh.).

Sales and Earnings, years to Dec. 31 (in $):

Year	Net Sales	Net Income	No. of Shares	Earn. on Com.
1961	62,210,281	869,819	1,526,526	0.57
1960	61,057,770	705,208	1,426,526	0.49
1959	68,950,072	2,282,477	[1]1,410,963	1.62
1958	60,634,393	2,310,588	603,049	3.71
1957	59,722,211	1,522,937	552,504	2.50
1956	61,557,595	1,376,683	552,504	2.23
1955	74,353,659	1,768,203	552,504	3.00
1954	50,378,202	890,485	552,504	1.61
1953	59,078,904	927,006	552,504	1.68
1952	55,531,843	1,330,099	552,504	2.41

[1]Reflects 2-for-1 split, and excl. 27,499 stk. div. shs. pd. Jan. 20, 1960.

Adjusted earns. & shs. for stk. splits & stk. divs.:

Earnings ($): 1959, 1.59; 1958, 1.82; 1957, 1.23; 1956, 1.09; 1955, 1.47; 1954, 0.79; 1953, 0.82; 1952, 1.18; 1951, 3.72.

Shares, 1959, 1,410,182; 1958, 1,250,270; 1957-52, 1,127,108; 1951, 561,271.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$1,919,700	$2,031,176
Receivables, net	13,449,100	13,182,933
Inventories	15,768,657	16,592,000
Prepayments	851,816	778,370
Total current	$31,989,273	$32,886,379
Net property	12,831,631	13,336,832
Trademarks	404,313	404,313
Inv. in assoc. cos.	1,031,710	993,319
Other investment	371,573	411,012
Deferred charges	1,002,580	718,059
Total	$47,670,080	$48,752,814
Liabilities:		
Notes payable	$5,012,100	$6,000,000
Accts. pay., etc.	5,595,868	3,848,557
Debt due	821,820	569,237
Fed. inc. tax res.	365,727	391,237
Other taxes pay.	1,708,099	1,635,729
Total current	$13,503,614	$11,444,760
Notes payable	1,200,000	1,400,000
Deb. 4¼s, 1973	3,250,000	3,600,000
Deb. 5s, 1974	4,779,450	5,031,000
Oth. lg. tm. debt	[illegible]301	183,589
Def. Fed. inc. tax	1,447,447	1,124,390
Com. stock ($2.50)	3,869,440	[3]3,817,814
Capital surplus	[3]1,344,469	1,635,606
Earned surplus	18,132,359	17,315,595
Total	$47,670,080	$48,752,814
Net current assets	$18,454,659	$18,441,619
Net tang. com. sh.	$14.82	[3]$14.01
[1]Depreciation	$15,748,118	$14,500,880

[2]Lower cost or mkt., inc. $2,899,176 (1962, $3,143,338) (life). [3]Incl. 78,750 shs. to be iss. [4]After deduct. $291,197 com. stk. purch. prem.

Long Term Debt: 1. Mansfield Tire & Rubber Co. sinking fund debenture 4¼s, due 1973;
Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Dec. 31, 1963, $3,600,000.
DATED—July 1, 1958.
MATURITY—July 1, 1973.
INTEREST—J&J1 at office of trustee.
TRUSTEE—First National Bank, Chicago.
DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and authorized multiples thereof. C & R interchangeable on payment not exceeding $2, plus any tax, for each debenture issued on such exchange.
CALLABLE—As a whole or in part at any time on at least 30 days' notice to each June 30 incl. as follows:

1962	103½	1963	103¼	1964	102⅞
1965	102⅝	1966	102⅜	1967	101⅞
1968	101⅝	1969	101	1970	100¾
1971	100½	1972	100¼	1973	100

However, no debentures may be redeemed prior to June 30, 1968 from proceeds of borrowing at interest cost to company of less than 4.90%.

Callable also on like notice for sinking fund (which see) at 100.

SINKING FUND—Annually, cash (or debentures) to retire $350,000 debentures each July 1, 1960-72 plus similar optional payments. Moneys not needed for redemptions may be used to redeem debentures at 100 or, if less than $25,000, to purchase debentures at public or private sale.

SECURITY—Not secured. Company may not merge with or sell substantially all property to, another corporation having obligations secured by mortgage if any assets owned by company prior thereto would become subject to the lien of such mortgage unless debentures are secured by direct prior lien on all such assets, other than existing liens thereon.

CREATION OF ADDITIONAL DEBT—Company may not create additional funded debt (except for refunding) unless thereafter, on consolidated basis, tangible assets less current liabilities are at least 250% of funded debt. Company or any subsidiary may not mortgage property unless debentures are equally and ratably secured, except for certain permitted encumbrances, including liens to secure loans for war or defense contracts or subcontracts; purchase money mortgages; pre-existing liens and renewals thereof.

Sale and Leaseback: Company and its subsidiaries may not sell and leaseback plants No. 1 and 2 at Mansfield, O.; in event, after July 1, 1958, sale and leaseback of any other plant is effected, fair value of such plant shall be included in determining funded debt and consolidated tangible assets except when annual net rentals thereunder are less than $100,000.

DIVIDEND RESTRICTIONS—See debenture 5s, 1974, below.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to redeem debenture 3¾s due 1966 and 6% preferred stock; for capital expenditures and other purposes.

OFFERED—($5,000,000) at 99¼ (proceeds to company, 97½) on June 25, 1958 by A. G. Becker & Co., Inc., Chicago, and associates.

PRICE RANGE—

	1963	1962	1961	1960	1959
High	99	97	93	97	99
Low	96	92	81	81	93

2. Mansfield Tire & Rubber Co. convertible subordinated debenture 5s, due 1974;
Rating—Ba

AUTHORIZED—$5,038,300; outstanding, Dec. 31, 1963, $5,031,000.
DATED—June 1, 1959.
MATURITY—June 1, 1974.
INTEREST—J&D1 at office of trustee. Interest accrues from June 18, 1959.
TRUSTEE—Central National Bank, Cleveland.
DENOMINATION—Coupon, $100, $500, $1,000 and authorized multiples of $1,000; interchangeable on payment not exceeding $2, plus any tax, for each debenture issued on such exchange.
CALLABLE—As a whole or in part at any time on at least 30 days' notice to May 31 incl., as follows:

1963	103½	1964	103	1965	102½
1966	102	1967	101½	1968	101
1969	100½	1974	100		

Also callable on like notice at 100 for sinking fund (which see) beginning June 1, 1964.
SINKING FUND—Annually, cash (or debentures) to retire (1) on each June 1, 1964-68, 4% of debentures outstanding on Apr. 1, 1964, and (2) on each June 1, 1969-73, 10% of debentures outstanding on Apr. 1, 1984. Unexpended moneys may, at company's option, be used to redeem debentures at 100, or if less than $15,000, for purchase of debentures. Payments will retire 75% of issue by maturity.
CONVERTIBLE—Into common on or before June 1, 1974 (if called, on or before 15th day prior to redemption date) at $22.24 per share (44.96 shares per $1,000 debenture), with no adjustments for interest or dividends; cash paid for fractional shares. Conversion privilege protected against dilution.
SECURITY—Not secured; subordinated to prior payment of senior debt, including debenture 4¼s due 1973 and other debt for borrowed money, unless expressly stated as not superior to convertible subordinated debentures.
SALES AND LEASE-BACKS—Indenture prohibits sale and lease-back by company or any subsidiary of all or substantial part of company's Plants No. 1 and 2 at Mansfield, O.; in event after June 1, 1959, any sale or lease-back of any other plant, fair value of plant shall be included in determination of funded debt and consolidated tangible assets, except during any period when aggregate annual net rentals are less than $100,000.
ADDITIONAL FUNDED DEBT—May not be created (except for refunding) unless thereafter on consolidated basis tangible assets less current liabilities equal at least 200% of funded debt. Company or any subsidiary may not mortgage property without equally and ratably securing debentures by such lien; excepted are liens to secure loans, war or defense contracts; purchase money mortgages; preexisting liens and renewals thereof.
DIVIDEND RESTRICTION—Company may not pay cash dividends or acquire (or permit any subsidiary to acquire) any stock in excess

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of consolidated net income after Dec. 31, 1958, plus $1,000,000 and net proceeds from sale after June 1, 1959, of stock or of debt converted into stock. At Dec. 31, 1963, $15,756,933 of earned surplus was so restricted.
RIGHTS ON DEFAULT—In event of default (30-day grace period for interest payment), trustee or 25% of debentures may declare principal due and payable.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debentures.
PURPOSE—Proceeds to repay short-term bank loans and for working capital.
OFFERED—($5,038,300) on June 4, 1959 for subscription by common stockholders at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. A. G. Becker & Co., Inc., Chicago, headed underwriting group.

PRICE RANGE—	1963	1962	1961	1960	1959
High	94	99	90	99	103¾
Low	81	77	78	81	93

Term Loan: Outstanding, Mar. 31, 1964, $6,400,000 5½% notes, due $400,000 each Mar. 1, 1965-79, balance Mar. 1, 1980. Proceeds to redeem $1,400,000 6% notes, due 1970, to repay $4,500,000 bank debt and for working capital. Co. may not pay cash dividends or acquire stock in excess of cons. net income after Dec. 31, 1962, plus $1,000,000, and net proceeds from sale after Dec. 31, 1962 of debt converted into stock; also agrees to maintain cons. working capital of at least 150% of senior funded debt (as defined).

Capital Stock: 1. Mansfield Tire & Rubber Co. common; par $2.50:
AUTHORIZED—2,500,000 shares; outstanding, Dec. 31, 1963, 1,547,776 shares; reserved for debenture conversions, 226,214 shares; for options, 40,500 shares; par $2.50.
Par changed from no par to $5 in March, 1952, by 3-for-1 split; from $5 to $2.50 May 29, 1959 by 2-for-1 split.
VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors.
PREEMPTIVE RIGHTS — Has preemptive rights.
DIVIDEND RECORD—

On no par shares:					
1938	$1.00	1939	$1.40	1940	$0.55
1941	1.00	1942-43	1.50	1944-45	1.00
1946-47	2.00	1948	1.50	1949	0.70
1950	2.00				
On $5 par shares:					
1952	1.60	1953	1.20	1954	1.15
1955	1.05	1956-57	1.20	1958	1.22½
1959	0.67½				
On $2.50 par shares:					
1959	0.40	[1]1960	0.70	1961-63	0.10

[1]Also 2% in stock.
DIVIDEND RESTRICTIONS—See funded debt above.
LISTED—On American Stock Exchange.
OFFERED—(47,615 common shares) at $15.50 per share May 17, 1939 by Otis & Co. (Inc.), Cleveland. Of current offering, proceeds from sale of 13,800 unissued shares were applied toward adding to plant facilities and for additional working capital; proceeds from sale of 33,815 shares accrued to shareholders.
(2,500,000 shares) at $15 per share on May 5, 1953, by A. G. Becker & Co., Inc., Chicago, and associates. Offering did not represent company financing, the shares having been sold by General Tire & Rubber Co.

PRICE RANGE—	1963	1962	1961	1960	[1]1959
High	8⅝	10⅞	13	19¾	22⅜
Low	6⅝	6⅜	8	7	15⅝

[1]After stock split; before, 49-29½.
Transfer and Dividend Disbursing Agents: Central National Bank, Cleveland, O.; Chase Manhattan Bank, New York, Co-Transfer Agent.
Registrars: National City Bank of Cleveland, Cleveland, O. and Manufacturers Hanover Trust Co., New York.
Subscription Rights: Common stockholders of record June 24, 1964, had right to subscribe at par to $2,511,400 5% convertible subordinated debentures, due July 1, 1973, on basis of $100 debentures for each 22 common shares held. Rights expired July 10, 1958. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.
Common stockholders of record June 2, 1959, had right to subscribe to $5,038,300 convertible subordinated debentures 5s, due 1974, at par on basis of $100 debentures for each 28 shares held. Rights expired June 18, 1959. Offering underwritten by A. G. Becker & Co., Inc., Chicago, and associates.

MID-WEST ABRASIVE CO.

History: Incorporated under Delaware laws Feb. 1, 1936 to succeed corporation of same name incorporated under laws of Michigan June 10, 1929 as Mid-West Co., name subsequently changed to Mid-West Abrasive Co. in July, 1936, company purchased plant, equipment and business of Pittsburgh Grinding Wheel Co. at Rochester, Pennsylvania.
In May, 1952 acquired 51% interest in Ballenger Mfg. Co., Owosso, Mich., name changed to Allied Machine & Engineering Co.; now wholly-owned subsidiary.
Business: Company manufactures and sells an extensive line of solid, coated and specialty abrasives for use in metal, wood, leather and paint work.
Property: Owns 3 plants at Owosso, Mich., with 360,000 sq. ft. of floor space; warehouse at Rochester, Pa., with 35,000 sq. ft.; and plant at Durand, Mich., with 23,500 sq. ft. and Detroit warehouse with 20,000 sq. ft. and branch office and warehouse at Maple Shade, N. J.; also plants at Ovid, Mich., and Strathroy and Harrow, Ont., Can.
Subsidiaries: (wholly-owned) Allied Machine & Engineering Co., Owosso, Mich., Mid-West Abrasive Co. of Canada Ltd., Strathroy, Ont. Allied Abrasive Co., Owosso, Mich.
Officers: A. C. Reppenhagen, Pres. and Treas.; A. C. Reppenhagen, Jr., Exec. Vice-Pres.; Daniel Wardlaw, H. G. Jones, Vice-Pres.; L. W. Corbett, Sec. and Asst. Treas.
Directors: C. P. Bentley, Donald Trumbo, L. P. Jackson, A. C. Reppenhagen, L. J. Verdier, H. K. White, Donald Trumbo, Jr., A. C. Reppenhagen, Jr., Daniel Wardlaw.
General Counsel: Armstrong, Helm, Marshall and Schumann.
Auditors: Lawrence Scudder & Co.
Annual Meeting: Second Monday in April.
No. of Stockholders: Dec. 31, 1963, 1,227.
No. of Employees: Dec. 31, 1963, 551.
Office: 510 South Washington St., Owosso, Mich.

Consolidated Income Account, years ended Dec. 31:

	1963	1962
Sales, etc.	$8,832,059	$7,528,774
Cost & expenses	7,246,354	6,074,795
Depreciation	215,005	222,510
Amortization	637	975
General taxes	245,627	240,098
Operating profit	1,124,436	990,396
Fed. income tax	570,606	456,078
Net income	553,830	534,318
Retain. earn., 1-1	3,342,935	3,191,523
Dividends	285,793	265,567
Credits	1,169	2,772
Pr. yr. tax adj.		dr 120,111
Retain. earn., 12-31	3,612,141	3,342,935
Earn., com. share	$1.51	$1.44
Cash flow, com. sh.	2.10	2.03
No. of com. shares	366,843	369,843

Sales and Earnings, years to Dec. 31 (in $):

	Net Sales	Net Income	No. of Shares	Earn. on Com.
1961	6,727,685	284,332	380,633	0.75
1960	7,737,890	473,664	377,233	1.27
1959	8,195,532	577,794	379,538	1.52
1958	6,762,560	407,968	374,138	1.09
1957	9,033,328	687,777	370,648	1.86
1956	8,355,082	564,377	370,648	1.52
1955	8,031,461	478,665	306,431	1.56
1954	5,600,605	229,656	303,720	0.76
1953	6,667,465	236,779	298,881	0.79
1952	5,182,680	176,976	291,681	0.61

Adjusted earns. & shs. for stk. splits & stk. divs.
Earnings ($): 1955, 1.20; 1954, 0.63; 1953, 0.66; 1952, 0.51; 1951, 0.56.
Shares: 1955, 367,717; 1954, 364,464; 1953, 358,637; 1953-51, 350,017.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1963	1962
Cash	$1,503,510	$1,253,343
Ctf. of deposit	500,000	500,000
Receivables, net	680,090	478,363
[1]Inventories	1,274,347	1,214,966
Prepaid expenses	82,269	95,006
Total current	$4,040,216	$3,541,678
[2]Net property	1,436,460	1,469,171
Empl. home purch.	9,959	10,033
Other assets	46,463	39,033
Patents, etc., net	1	1
Total	$5,533,099	$5,079,936
Liabilities:		
Accounts payable	$433,034	$297,530
Accruals	346,903	282,995
[3]Fed. income tax	384,402	306,330
Total current	$1,164,339	$886,855
Cap. stock ($0.50)—	196,549	196,549
Capital surplus	602,593	602,593
Paid-in surplus	323,254	323,254
Retained earnings	3,612,111	3,342,935
Total	4,734,537	4,465,331
[4]Reacq. stk.	315,777	272,250
Net stk. & surp.	4,418,760	4,193,081
Total	$5,583,099	$5,079,936
Net current assets	$2,875,877	$2,651,823
Net tang. per sh.	$12.05	$11.34
[5]Depr. & amort.	$1,305,495	$1,198,325

[1]Lower cost or mkt. [2]Less amt. pd. [3]2,255 (1962, 23,255) shs. at cost.

Capital Stock: 1. Mid-West Abrasive Co. common; par 50 cents:
AUTHORIZED—2,000,000 shares; outstanding, 366,843 shares; in treasury, 26,253 shares; par 50 cents.

DIVIDENDS—						
1936	$0.10	1937-43	Nil	1944	$0.12	
1945-46	0 03	1947	$0 12	1948	0.18	
1949	0.20	1950	0.25	1951-54	0 40	
1955	0 30	[1]1956	0.40	1957	0 45	
1958-61	0 60	1962	0.67½	1963	0.75	
[2]1964	0.22½					

[1]Also 20% in stock.
[2]To Aug. 3.
PURPOSE—Issued (253,100 shares) in 1936 to holders of old company's common stock on share for share basis. Balance of $0,620 shares subscribed by stockholders at $1 50 per share on basis of one share for each five shares held. Common stock of old company originally issued (50,000 shares) in Mar., 1935, by Albert & Co., Detroit, Mich., at $1 per share.
TRANSFER AND DIVIDEND DISBURSING AGENT—Manufacturers National Bank, Detroit.
REGISTRAR—Detroit Bank & Trust Co.
LISTED—On Detroit Stock Exchange and American Stock Exchange.

PRICE RANGE—	1963	1962	1961	1960	1959
High	16¼	15	17	20¼	23
Low	13½	11	11½	11	19

MINERALS & CHEMICALS PHILIPP CORP.

History: Incorporated under Maryland laws Dec. 1, 1916 as Minerals Separation North American Corp.; acquired Attapulgus Clay Co. Nov. 28, 1952 and on Dec. 10, 1952 changed name to Attapulgus Minerals & Chemicals Corp.; merged Edgar Brothers Co. and name changed to Minerals & Chemicals Corp. of America; merged Philipp Brothers, Inc. and Philipp Brothers Ore Corp., July 21, 1960 and adopted present name.
In 1960, merger company issued 1,350,000 additional common shares and 1,550,000 new class B stock on following basis: Each Philipp Brothers, Inc. common share for 5.13257 common shares and 5.13287 class B shares; each Philipp Brothers Ore Corp. for 7.1 common shares and 8.9 class B shares; each Philipp Brothers Ore Corp. preferred share for 6 common shares. Class B converted into common in 1962.
In 1962 acquired 50% interest in Cuyahora Lime Co.; business of K. Hettleman & Sons, Baltimore, Md. and H. Green & Co., Inc.
Business: Company is engaged in mining and producing fullers earth, kaolin, bauxite, metallurgical Luxstone, agricultural and commercial limestone in processing materials for petroleum refining and oil well drilling, paper coating and filling and industrial cleaning; also as carriers and extenders for agricultural insecticides, paints, inks, plastics, adhesives.
Also engaged in procurement, financing, transport and sale of metals and ores throughout the world. Also renders engineering services.
Properties: Fullers earth mines and plant located near Attapulgus, Ga., with substantial ore reserves in area; plant at Berger, Ark. processes raw bauxite purchased from others. Company also owns and operates in Williamson and Washington Counties, Ga., 2 strip mines, 2 mills, a chemical plant and 3 processing plants, used in processing of kaolin. Owns 4,900 acres and leases 6,000 acres with extensive ore reserves in the two counties.
New plant costing $2,000,000, at McIntyre, Ga., opened early 1962 to upgrade minerals and increase yield per ton.
Also has mines, quarries and/or plants at Gadsden County, Fla.; Marblehead, O.; Strasburg, Va.
Also leases 27,000 sq. ft. general office building and 42,000 sq. ft. research and development center at Menlo Park, N. J.
Also operates luminescent powder plant in United Kingdom, maintains warehouse facilities at Callao, Pisco and Pacasmayo, Peru and has over 50 offices in most parts of the free world.
Subsidiaries (wholly-owned): Porocel Corp.; Chemstone Corp. (see below); Cuyahora Lime Co.
Chemstone Corp.: Formed in Jan., 1955, as Marblehead Limestone Corp. to acquire certain assets of Kelley Island Co. Present name adopted in Mar., 1955. On Mar. 14, 1955, acquired all capital stock of Dominion Limestone, Inc. and Strasburg Lime Co., Inc., in northern Virginia. Latter two companies liquidated in 1956 and now operated as divisions.
In 1962 Chemstone Corp. leased Marblehead, O. properties under a long-term contract providing for royalties on sales of limestone produced at the Marblehead quarry, and ownership of Lakeside & Marblehead R.R. Co., which serves operation, was transferred to lessee.
Corporation also has a long-term management contract with Presque Isle Corp. to manage operation of limestone quarry in northern Michigan. In addition, also has an agency and sales agreement covering sale of limestone produced at Presque Isle and sold for uses other than making of iron or steel. New plant facilities have been completed for operation of Presque Isle quarries at a cost of over $16,000,000, and limestone shipments from the plant began Apr. 9, 1959.
Philipp Brothers (Holland) N. V. is one of principal foreign subsidiaries of Philipp Brothers Division.
In 1961 acquired controlling interest in Compania Minera Santa Fe, major producer of iron ore for $8,000,000 in Chile.
Officers: C. W. Engelhard, Chmn.; Siegfried Ullmann, Vice-Chmn.; James Deshler, II, Pres.; A. G. Blake, Ludwig Jesselson, Exec. Vice-Pres.; Leo Fürstenberger, Sen. Vice-Pres.; Frank Emanuel Hellman, Henry Rothschild, Vice-Pres.; M. C. Flint, Sec.; B. H. Burton, Treas.
Directors: James Deshler, II, D. E. Lilienthal, A. G. Blake, J. C. Franklin, F. A. Howland.